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

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

Joint Applicant Ohio Valley Gas Corporation ("Ohio Valley Gas" or "OVG"), by counsel, hereby submits its Verified Responses to the Commission Staff's Second Request for Information, entered on July 14, 2026.

Dated July 24, 2026.

Respectfully submitted,

OHIO VALLEY GAS CORPORATION

/s/ Rajan Kapoor

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Counsel for Ohio Valley Gas Corporation

DATA REQUEST

PSC 2_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.

RESPONSE

Banning Engineering has completed over 30 utility appraisals including water, wastewater, gas, and electric assets. Those appraisals ranged from communities of 400 through nearly 60,000 population. All the appraisals that resulted in an acquisition were approved through a filing with the Indiana Utility Regulatory Commission ("IURC").

a. While Banning Engineering received information from Ohio Valley Gas and Valley Gas, they relied on their extensive knowledge and tools to verify information that was provided to confirm accuracy. Due to the numerous appraisals performed by Banning Engineering, they had comparable information relative to typical pipe footage per customer as another tool to assist with determining a fair listing of the gas utility assets.

   The above ground assets were verified to the best of Banning's ability via office tools, such as aerial imagery, street view, etc. The site visit was especially crucial in observing the above ground assets including the regulator stations, odorizer, and sample customer meters, both residential and commercial. Due to the size of the service area in relation to the boundaries of the City of Irvington, a thorough tour of the service area was achievable. Construction records were provided by Valley Gas for recent projects that were also used for assisting in verifying main sizes

b. During the site visit and discussions with Kevin Kasey of Valley Gas, a few minor changes in pipe sizes were made. However, through Banning's own GIS mapping and calculation of pipe footage, etc. no material discrepancies were found.

Witness: John T. Stenger

Ohio Valley Gas Corporation
PSC Case No. 2026-00120
Commission Staff's Second Request for Information
Dated July 14, 2026

DATA REQUEST

PSC 2_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.

RESPONSE

a. OVG's understanding of "compliance supervision" is a requirement that an outside party supervise the performance of covered tasks by Valley Gas personnel, to perform covered tasks, or to develop procedures and forms for the completion of covered tasks. Examples of "compliance supervision" would be the review of compliance records, auditing of compliance tasks such as regulator station maintenance and odorant checks, and reviews of the Operations & Maintenance manual and emergency response, or performing those covered tasks instead of reviewing.

b. Ohio Valley Gas has experienced personnel that are Operator Qualified to perform covered tasks and operate natural gas systems, and OVG has an excellent safety record. OVG currently does not require supervision from USDI, or any other entity, to safely operate its natural gas system. OVG would utilize its current procedures and personnel to safely operate the Valley Gas system.

Witness: Gregory A. Bailey

DATA REQUEST

PSC 2_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.

RESPONSE

Ohio Valley Gas utilizes Alliance billing software provided by United Systems in Benton, Kentucky for its current customers. On an ongoing basis, OVG does not believe it makes sense to utilize a separate billing system for the Valley Gas customers.

OVG has received a quote from United Systems to convert the RCC data into Alliance for OVG's use. OVG is currently evaluating their quote, but to control costs, OVG may choose to manually enter the required information into the existing OVG Alliance database as a division within our Tell City district.

To begin billing under OVG ownership will require OVG to have customer service and billing addresses, and budget billing information in our billing software at a minimum. OVG is evaluating the most cost-effective way of entering billing history records, but in any event, OVG will take appropriate actions to bill the Valley Gas customers in an accurate and timely manner. Depending on when the transaction closes, OVG may utilize RCC for 1 or 2 months, but OVG fully intends to bill customers using Alliance within the first 30-60 days of ownership.

Witness: John T. Stenger

DATA REQUEST

PSC 2_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.

RESPONSE

a. The difference between $72,323.14 and $71,229.14 is $1,094.00. OVG understands the difference relates to land and land rights.

b. OVG believes $72,323.14 is the appropriate net book value to use for purposes of calculating the acquisition premium in this proceeding because it represents total net utility plant, including land and land rights. The $71,229.14 amount excludes land and land rights and may be appropriate for depreciation-related schedules.

   OVG will record and track land, land rights, depreciable utility plant, and accumulated depreciation separately after closing.

Witness: Steven P. James

DATA REQUEST

PSC 2_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.

RESPONSE

The nearest Ohio Valley Gas office is located at 701 Seventh Street, Tell City, Indiana. It is 42 or 43 miles to Irvington from the OVG office, depending on the route. OVG has many customers within its current service territory at that distance from one of our seven customer service offices. We are confident that we will provide good customer service to the Valley Gas customers.

Witness: John T. Stenger

DATA REQUEST

PSC 2_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.

RESPONSE

OVG_R_PSCDR2_6_Attachment1 is the latest draft of OVG's consolidated financial statements reflecting the consolidation of Fountaintown Gas Company and South Eastern Indiana Natural Gas Company. OVG will supplement this response with the final audited financial statements when they become available.

Witness: Steven P. James

OHIO VALLEY GAS CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

OHIO VALLEY GAS CORPORATION
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YEAR ENDED DECEMBER 31, 2025

INDEPENDENT AUDITORS' REPORT

Board of Directors
Ohio Valley Gas Corporation
Winchester, Indiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ohio Valley Gas Corporation, which comprise the consolidated balance sheets as of December 31, 2025 and the related consolidated statements of income, shareholders' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Ohio Valley Gas Corporation as of December 31, 2025, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ohio Valley Gas Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the 2024 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ohio Valley Gas Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
Ohio Valley Gas Corporation

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ohio Valley Gas Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ohio Valley Gas Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidated balance sheet and statement of income is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Board of Directors
Ohio Valley Gas Corporation

CliftonLarsonAllen LLP

Indianapolis, Indiana
REPORT DATE

OHIO VALLEY GAS CORPORATION
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025

	2025
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	$ 6,420,763
Accounts Receivable, Net	6,352,729
Unbilled Revenues	2,710,167
Due from Related Party	73,664
Stored Gas Inventories	808,447
Inventories	4,511,438
Prepaid Expenses and Other	424,840
Regulatory Assets	789,840
Other	457,800
Total Current Assets	22,549,688
PROPERTY, PLANT, AND EQUIPMENT, Net	82,347,809
Total Assets	$ 104,897,497

See accompanying Notes to Consolidated Financial Statements.

OHIO VALLEY GAS CORPORATION
CONSOLIDATED BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2025

		2025
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILIITES		
Accounts Payable	$	4,074,366
Current Maturities of Long-Term Debt		4,404,040
Customer Deposits		1,147,181
Deferred Credits - Customer Prepayments		818,366
Accrued Taxes, Other Than Income Taxes		1,305,789
Accrued Payroll, Vacation, and Benefits		1,159,998
Accrued Interest		65,670
Accrued Inventory		17,296
Refundable Gas Costs		159,488
Income Taxes Payable		1,450,895
Other		330,532
Total Current Liabilities		14,933,621
DEFERRED INCOME TAXES		9,863,968
EXCESS DEFERRED TAX RESERVES		3,814,493
LONG-TERM DEBT		8,695,163
Total Liabilities		37,307,245
SHAREHOLDERS' EQUITY		
Common Stock		28,598,409
Treasury Stock		(23,160)
Additional Paid-In Capital		24,438
Retained Earnings		38,990,565
Total Shareholders' Equity		67,590,252
Total Liabilities and Shareholders' Equity	$	104,897,497

See accompanying Notes to Consolidated Financial Statements.

OHIO VALLEY GAS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2025

	2025
OPERATING REVENUES	
Gas Sales	$ 54,569,026
OPERATING EXPENSES	
Cost of Natural Gas	17,628,756
Other Operating	7,459,115
Maintenance	1,857,653
Depreciation	5,130,836
Taxes Other Than Income Taxes	1,253,715
Regulatory Credits	174,007
General and Administrative	10,704,087
Total Operating Expenses	44,208,169
OPERATING INCOME (LOSS)	10,360,857
OTHER INCOME (EXPENSE)	
Interest Income	289,158
Interest Expense	(782,798)
Allowance for Funds Used During Construction	207,759
Other, Net	(45,397)
Total Other Income (Expense)	(331,278)
INCOME BEFORE TAXES	10,029,579
PROVISIONS FOR INCOME TAX EXPENSE	(4,072,220)
NET INCOME (LOSS)	$ 5,957,359

See accompanying Notes to Consolidated Financial Statements.

OHIO VALLEY GAS CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2025

	Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Total
BALANCE - DECEMBER 31, 2024	$ 28,576,586	$ (30,287)	$ 24,438	$ 34,811,029	63,381,766
Treasury Stock Acquired - 100 Shares	(12,644)	(4,049)	-	-	(16,693)
Treasury Stock Reissued - 276 Shares	34,518	11,176	-	-	45,694
Additional Paid-In Capital	-	-	-	-	-
Dividends on Common Stock	-	-	-	(1,777,874)	(1,777,874)
Net Income	-	-	-	5,957,359	5,957,359
BALANCE - DECEMBER 31, 2025	$ 28,598,460	$ (23,160)	$ 24,438	$ 38,990,514	$ 67,590,252

See accompanying Notes to Consolidated Financial Statements.

OHIO VALLEY GAS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025

	2025
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income	$ 5,957,359
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	5,130,836
Deferred Income Taxes	1,499,474
Net loss on sale of property and equipment	283,849
Changes in:	
Accounts Receivable	(719,915)
Due from Related Party	2,469,383
Stored Gas Inventories	119,023
Inventories	(12,756)
Prepaid Expenses and Other	(70,811)
Unbilled Revenues	(82,714)
Regulatory Assets	383,977
Other current assets	95,921
Accounts Payable	(603,712)
Customer Deposits	46,898
Accrued Taxes, Other Than Income Taxes	58,736
Accrued Payroll, Vacation, and Benefits	106,533
Accrued Inventory	15,526
Accrued Interest	522
Refundable Gas Costs	(164,729)
Income Taxes Receivable/Payable	899,994
Other Current Liabilities	(40,431)
Excess Deferred Tax Reserves	(29,842)
Net Cash Provided by Operating Activities	16,161,487
CASH FLOWS FROM INVESTING ACTIVITIES	
Additions to Utility Plant, Net of Cost of Removal	(8,519,885)
Net Cash Used by Investing Activities	(8,519,885)
CASH FLOWS FROM FINANCING ACTIVITIES	
Net borrowings on LOC	(10,896,744)
Proceeds from Long-Term Debt	10,000,000
Payments on Long-Term Debt	(1,113,734)
Treasury Stock Acquired	(16,693)
Reissuance of Treasury Stock	45,694
Dividends Paid	(1,777,874)
Net Cash Used by Financing Activities	(3,759,351)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,882,251
Cash and Cash Equivalents - Beginning of Year	2,538,512
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 6,420,763
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Interest Paid	$ 782,276
Income Taxes Paid (Refunded), Net	$ -

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Ohio Valley Gas Corporation and its subsidiary (collectively referred to as the Companies) are a majority-owned subsidiary of Beynon Farm Products Corporation. The Companies are engaged primarily in the sale and transportation of natural gas to residential, commercial, and industrial customers, primarily in Indiana. The Companies are regulated by the Indiana Utility Regulatory Commission and the Public Utilities Commission of Ohio (collectively referred to as the Commission).

Principles of Consolidation

The consolidated financial statements include the accounts of Ohio Valley Gas Corporation and its wholly-owned subsidiary, Ohio Valley Gas, Inc. In addition, the financial statements include the 100% owned affiliate, Hanover Group IV, L.L.C., including its wholly-owned subsidiaries, Fountaintown Gas Company, Inc. and South Eastern Indiana Natural Gas Co Inc. (collectively Hanover). All significant intercompany accounts and transactions have been eliminated.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Utility Plant

Utility plant is stated at historical cost, including an allowance for the cost of funds used during construction. Additions and betterments are charged to these accounts at cost. Upon retirement, plant cost, together with costs of removal, less salvage, is charged to accumulated depreciation, unless the retirement is deemed to be extraordinary. The costs of maintenance, repairs, and minor replacements are charged to expense as incurred. Contributions in aid of construction are netted against utility plant in the consolidated financial statements.

The Companies use the composite method of calculating depreciation on utility plant. Under the composite method, the Companies provide for depreciation on utility plant at the annual straight-line composite rate of 2.92% (exclusive of transportation equipment and office and communications equipment). Office and communications equipment is depreciated at the annual straight-line composite rate of 10%. Transportation equipment is depreciated on the straight-line method over its estimated useful life of 5 to 7 years.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Companies consider all liquid investments with original maturities of three months or less to be cash equivalents. The Company did not hold cash equivalents at December 31, 2025.

At December 31, 2025, the Companies' cash accounts exceeded federally insured limits by approximately $2,849,004.

Accounts Receivable

Accounts receivable are stated at the amount of consideration from customers of which the Companies have an unconditional right to receive plus any accrued and unpaid interest. The Companies provide an allowance for credit losses, which is based upon a review of outstanding receivables and historical collection information adjusted for current conditions and reasonable and supportable forecasts. Accounts receivable are ordinarily due 17 days after the issuance of the invoice. Accounts that are unpaid after the due date are charged a penalty. Accounts past due more than 30 days are considered delinquent and are subject to disconnection. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

Inventories

Inventories consist of materials, supplies, and diesel fuel and are stated at the lower of cost or net realizable value. Cost is generally determined on a moving average cost basis.

Unbilled Revenues

Unbilled revenues represent estimated sales to customers during the period of time between the last meter reading date and the end of the accounting period.

Stored Gas Inventories

The Companies purchase gas throughout the summer months and inject it into storage, then sell the stored gas to the Companies' customers during the winter months. Stored gas inventories are stated at cost. Cost is determined on a moving average cost basis.

Self-Insurance

The Companies have elected to self-insure certain costs related to employee health, dental, and accident benefit programs. Costs resulting from noninsured losses are charged to income when incurred. The Companies have purchased insurance that limits their exposure for individual claims to $75,000 per insured life with an aggregate annual maximum exposure of approximately $5,700,000.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

In December of 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" ("ASU 2023-09"), which enhances the transparency and decision usefulness of income tax disclosures. Under the ASU, Nonpublic Entities will qualitatively disclose the nature and effect of the specific categories of reconciling items and individual jurisdictions that result in a significant differences between the statutory tax rate and the effective tax rate. In addition, Nonpublic Entities will disclose income taxes paid and refunded by federal (national), state, and foreign. This ASU is effective for Nonpublic Entities for fiscal years beginning on or after December 15, 2025, with early adoption permitted. The amendments in ASU 2023-09 should be applied on a prospective basis and retrospective application is permitted. The Company is in the process of evaluating the impact of adoption of ASU 2023-09 on the Company's consolidated financial statements and disclosures.

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The Company measures deferred tax assets and liabilities using the enacted tax rates for the years and jurisdictions in which the temporary differences are expected to be recovered. A change to the tax rates used to measure the Company's deferred taxes is recognized in income during the period in which the new rate(s) were enacted.

The Company recognizes deferred tax assets to the extent the Company's assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including the future reversals of existing taxable temporary differences, projected future taxable income exclusive of reversing temporary differences and carryforwards, tax-planning strategies, taxable income in prior carryback years if permitted under tax law, and the results from prior years. If the Company determines it is more likely than not, that all or a portion of a deferred tax asset will not be realized a valuation allowance is recorded with a charge to income tax expense. Alternatively, if the Company determines that all or a portion of a deferred tax asset previously not meeting the more likely than not threshold will be realized, the Company reduces its valuation allowance and recognizes a benefit in income tax expense.

The Company recognizes and measure uncertain tax benefits in accordance with ASC 740 based on a two-step process in which (1) the Company determines whether it is more likely than not that the tax position will be sustained based on the technical merits of the position, and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of tax benefit that is more than fifty percent likely to be realized upon ultimate settlement with the related tax authority. The Company's policy is to recognize interest and penalties related to uncertain tax positions, if any, in income tax expense.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

The Companies are part of a consolidated group which files a consolidated federal income tax return. The consolidated group follows the policy of requiring each entity to provide for income taxes in an amount equal to the income taxes that would have been incurred if each were filing separately.

Allowance for Funds Used During Construction

An allowance for funds used during construction (AFUDC), which represents the cost of borrowed and equity funds used for construction purposes, is charged to construction work in progress during the period of construction and is separately stated on the consolidated statements of income. An annual AFUDC rate of 8.13% was used for 2025.

Taxes Collected from Customers and Remitted to Governmental Authorities

Taxes collected from customers and remitted to governmental authorities are presented in the accompanying consolidated statements of income on a net basis.

Regulatory Accounting

The Companies apply accounting standards for regulated utility operations that recognize the economic effects of rate regulation in accordance with ASC 980, *Regulated Operations*, and, accordingly, have recorded regulatory assets and liabilities when required by a regulatory order or based on regulatory precedent. Regulatory assets represent probable future revenue associated with certain costs that will be recovered from customers through the rate-making process. Regulatory liabilities represent probable future reductions in revenues associated with amounts that are to be credited to customers through the rate-making process. The Companies have recorded these regulatory assets and liabilities in accordance with ASC 980. If the Companies were required to terminate application of ASC 980 for all of their regulated operations, the Companies would have to record the amounts of all regulatory assets and liabilities in the consolidated statements of income at that time. Income would be increased by the amount of net regulatory liabilities, net of applicable income taxes. The Companies do not anticipate any termination of the application of ASC 980 in the foreseeable future.

Revenue Recognition

Revenue is recognized when control of the promised goods or services is transferred to the Companies' customers, in an amount that reflects the consideration that it expects to be entitled to in exchange for those goods or services. The amount and timing of revenue recognition varies based on the nature of the goods or services provided and the terms and conditions of the customer contract. See Note 10 for additional information about the Companies' revenue.

OHIO VALLEY GAS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 UTILITY PLANT

Shown below are the major classes of utility plant in service at December 31:

	2025
Land	$ 2,037,416
Intangible	27,216
Transmission	11,706,039
Distribution	122,839,590
General	34,502,412
Customer Refunds for Construction	(26,455)
Total Plant in Service	171,086,218
Construction Work in Progress	1,354,372
Total Utility Plant	172,440,590
Less accumulated depreciation	(90,092,781)
Total	$ 82,347,809

NOTE 3 RETIREMENT SAVINGS PLANS

The Companies have a 401(k) retirement savings plan covering substantially all employees. The Companies make a 3% safe harbor contribution to the plan and discretionary contributions to the plan are determined annually by the board of directors. Employer safe harbor contributions made to the plan totaled approximately $ 324,851 in 2025. Discretionary profit sharing contributions made to the plan totaled approximately $527,221 in 2025.

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NOTE 4 STOCK PURCHASE PLAN

The Companies established a non-compensatory stock purchase plan under which they can issue up to 50,000 shares of common stock to full-time employees who live in Indiana. Under the terms of the plan, employees can choose to have up to 5% of their salary withheld to purchase the Companies' common stock. The purchase price of the stock is the book value (calculated quarterly) of the stock as shown on the Companies' most recent consolidated balance sheets. The common stock is being reissued out of the amounts held in treasury stock by the Companies. The Companies sold 206 shares under the plan in 2025. The Companies are obligated to repurchase shares issued to employees in the event of retirement, death, termination of employment, or voluntary tender at the book value (calculated monthly) of the stock as shown on the Companies' most recent consolidated balance sheets. The Companies repurchased 100 shares in 2025.

NOTE 5 INCOME TAXES

The Companies file income tax returns in the U.S. federal and various state jurisdictions. The provision for income taxes includes these components:

	2025
Income before income taxes:	
Domestic	$ 10,029,579
The provision for income tax expense consists of the following:	
Current:	
Federal	$ 2,119,616
State	453,116
Total Current	$ 2,572,732
Deferred:	
Federal	$ 1,451,504
State	47,984
Total Deferred	$ 1,499,488

The components of the Companies' deferred tax assets and liabilities for the year ended December 31, 2025 are shown below:

	2025
Deferred Tax Assets:	
Accruals and Reserves	$ 158,135
Identifiable Intangibles	98,754
Total Deferred Tax Assets	256,889
Deferred Tax Liabilities:	
Property and Equipment, net	(9,987,486)
Prepaid Insurance	(88,819)
Other Liabilities	(44,551)
Total Deferred Tax Liabilities	(10,120,856)
Net Deferred Tax Liability	$ (9,863,967)

For the period ended December 31, 2025, the Company no federal and state NOLS, income tax credit, or other tax carryforward attributes.

Additionally, after weighing all available positive and negative evidence for the period ended December 31, 2025, the Company determined no valuation allowance was required.

The Company continuously monitors its current and prior filing positions in order to determine if any unrecognized tax positions need to be recorded. The analysis involves considerable judgement and is based on the best information available. For the period ended December 31, 2025, the Company no unrecognized tax benefit, interest, or penalties recorded.

NOTE 5 INCOME TAXES (CONTINUED)

The Company is subject to federal and various states income taxes. The Company has federal and state income tax returns that are open to examination from years 2022 and 2022 forward, respectively. As of December 31, 2025 the Company is not under federal or state examination.

The amount owed to the parent company from the Companies for underpayment of consolidated federal income tax liabilities at December 31, 2025 was approximately $19,000.

NOTE 6 EXCESS DEFERRED TAX RESERVES

The United States periodically enacts tax reform legislation to change existing U.S. tax laws. These changes prompt the Indiana Utility Regulatory Commission to utilize regulatory accounting to create an asset or liability for the calculated differences resulting from the enacted changes. The most recent tax legislation resulted in the Companies reclassifying deferred income taxes to excess deferred tax reserves, a regulatory liability. This liability will be returned to customers through rate reductions. The Companies and the Indiana Utility Regulatory Commission established the payback period through 2053. The amount returned to customers during 2025 totaled approximately $29,840. The amount to be returned to customers in the future is as follows:

Year Ending December 31,	Amount
2026	$ 47,921
2027	69,483
2028	109,476
2029	102,318
2030	95,193
Thereafter	3,390,102
Total	$ 3,814,493

NOTE 7 GAS COST ADJUSTMENTS

The Companies' natural gas requirements are purchased through contracts with a natural gas broker and the Companies also contracts with various interstate pipeline suppliers for the transportation and storage of their natural gas requirements. These contracts provide for the pricing of all natural gas at a nationally publicized index plus applicable premiums. The cost of natural gas to the Companies are recovered from customers through a quarterly gas cost adjustment mechanism with the applicable factors being approved by the Commission. Variances between the estimated quarterly gas cost adjustment factors and actual costs are recovered from, or returned to, customers through future gas cost adjustments over the next succeeding twelve months.

NOTE 8 FINANCING ARRANGEMENTS

Revolving Line of Credit

The Company has a revolving line of credit with a maximum borrowing available totaling $10,000,000. The line matured in 2025. At December 31, 2025, there was $0 borrowed against the line. The line bears interest at a variable per annum rate of the adjusted term secured overnight financing rate (SOFR) rate plus 2.25%. Interest is payable monthly with all principal due at maturity. The lines are collateralized by substantially all assets of the Companies.

Long-Term Debt

In 2021, the Company has a secured term loan with an original principal balance of $6,000,000 (the "Term Loan"). The Term Loan bears interest at a fixed rate of 4.50% per annum and is amortized through level monthly payments of principal and interest over an 84-month period, with a final maturity on August 3, 2026.

In 2025, the Company issued a secured term loan with an original principal balance of $10.0 million (the "Term Loan 2"). The loan bears interest at a variable rate equal to the Term SOFR Rate plus 1.85%, subject to periodic adjustment.

Principal and interest are payable in monthly installments based on a 120-month amortization schedule, with a final maturity on April 25, 2030.

All obligations under the Term Loans are secured by a first-priority security interest in substantially all assets of the Company, including accounts, inventory, equipment, general intangibles, and deposit accounts.

The Company is also required to maintain certain financial covenants, including a minimum quarterly rolling fixed charge coverage ratio of 1.20 to 1.00. As of December 31, 2025, the Company was in compliance with all covenants under the Credit Agreement.

NOTE 8 FINANCING ARRAGEMENTS (CONTINUED)

Aggregate annual maturities of long-term debt at December 31, 2025 are:

Year Ending December 31,	Amount
2026	4,404,040
2027	835,144
2028	882,909
2029	936,004
2030	6,041,106
Total	$ 13,099,203

NOTE 9 REVENUE FROM CONTRACTS WITH CUSTOMERS

Performance Obligations

Revenue is measured as the amount of consideration the Companies expect to receive in exchange for transferring distinct goods or providing services to customers. The Companies' revenue consists substantially of gas utility services. The Companies provide commodity service to customers at rates, charges, and terms and conditions included in tariffs approved by regulators. The Companies bill customers monthly and has the right to consideration from customers in an amount that corresponds directly with the performance obligation satisfied to date. The performance obligation is satisfied and revenue is recognized upon the delivery of services to customers. The Companies record revenues for services and goods delivered but not billed at the end of an accounting period in Unbilled Revenues, derived from estimated unbilled consumption and tariff rates. Customers are billed monthly and payment terms, set by the regulator, require payment within a month of billing. The Companies' revenues are not subject to significant returns, refunds, or warranty obligations.

Disaggregation of Revenue

The Companies recognize all revenue over time during the period ended December 31, 2025.

Contract Balances

The following table provides information about the Companies' receivables, contract assets, and contract liabilities from contracts with customers:

	2025
Accounts Receivable	5,345,513
Contract Assets - Unbilled Revenues	2,532,139
Contract Liabilities - Customer Deposits	849,646

NOTE 9 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

Accounting Policies and Practical Expedients Elected (Continued)

The Companies are also applying an accounting policy election, which allows an entity to exclude from revenue any amounts collected from customers on behalf of third parties, such as sales taxes and other similar taxes they collect concurrent with revenue-producing activities. Therefore, revenue is presented net of sales taxes and similar revenue-based taxes.

Significant Judgments

In respect of contracts for which the transaction price includes amounts contingent on future events, the Companies estimate the amount to be included in the transaction price based on its experience with such contracts and only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty is eventually resolved.

Accounting Policies and Practical Expedients Elected

For measuring the progress for revenue recognized over time, the Companies elected a practical expedient, right to invoice, which allows an entity to recognize revenue in the amount of consideration to which the entity has the right to invoice when the amount that the entity has the right to invoice corresponds directly to the value transferred to the customer.

NOTE 10 RELATED PARTY TRANSACTIONS

Greater Heights Services Corporation, a subsidiary of Beynon Farm Products Corporation, provides construction, consulting, and human resource services to the Companies, which totaled approximately $828,568 during 2025. The Companies has receivables from Greater Heights Services Corporation totaling $276,800 at December 31, 2025. The Companies have payables to Greater Heights Services Corporation totaling $277,146 at December 31, 2025.

NOTE 11 SIGNIFICANT ESTIMATES AND CONCENTRATIONS

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Commitments and Concentrations

The Companies, in their normal course of business, enters into firm pricing arrangements with its only supplier for the future delivery of a portion of its natural gas requirement at a fixed price. In addition, the Companies make binding nominations for delivery of natural gas supply requirements in the subsequent month. Should the Companies not be able to accept all of the nominated natural gas supply requirement, the difference is sold back to the supplier on the basis of the midpoint price of the publication Gas Daily for the applicable region on a day-to-day basis for the balance of the month that the unused nomination is in effect. Likewise, should the Companies need additional supply on a day-to-day basis above its nominated volumes, the purchase is made on the midpoint price of the publication Gas Daily for the applicable region. Any proceeds or costs associated with these transactions would be returned to, or recovered from, customers through future gas cost adjustments discussed above (Note 8).

General Litigation

The Companies are subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, results of operations and cash flows of the Companies.

NOTE 12 RESTATEMENT

The Company has restated its previously issued financial statements as of and for the year ended December 31, 2024 to correct an error in the accounting for its investment in Hanover Group IV, L.L.C. (“Hanover”) and its wholly owned subsidiaries, Fountaintown Gas Company, Inc. and Southeastern Indiana Natural Gas Company, Inc. In the previously issued financial statements, the Company accounted for its 100% ownership interest in Hanover as an investment in subsidiary. Upon further evaluation, management determined that the Company has a controlling financial interest in Hanover and its subsidiaries and is required to consolidate these entities in accordance with ASC 810, Consolidation. Accordingly, the Company should have recognized the underlying assets, liabilities, revenues, and expenses of the Hanover Entities and eliminated all intercompany balances and transactions.

The accompanying financial statements have been restated to reflect the consolidation of the Hanover Entities. The prior year retained earnings has been restated by ($1,629,878) from $36,440,907 to $34,811,029.

OHIO VALLEY GAS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 13 SUBSEQUENT EVENTS

Subsequent events have been evaluated through REPORT DATE, which is the date the consolidated financial statements were available to be issued.

OHIO VALLEY GAS CORPORATION
CONSOLIDATED SCHEDULES OF OPERATING REVENUES
YEARS ENDED DECEMBER 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

	2025
GAS SALES:	
Residential	73,633
Residential Heating	28,442,129
Commercial	701,479
Commercial Heating	7,973,119
Industrial - Firm	2,283,316
Municipal	1,802,318
Forfeited Discounts	172,377
Transportation Revenue	4,875,196
Change in Unbilled Revenue	108,597
Total Operating Revenues	$ 46,432,164

OHIO VALLEY GAS CORPORATION
CONSOLIDATED SCHEDULES OF OTHER OPERATING EXPENSES
YEARS ENDED DECEMBER 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

	2025
COST OF SALES	14,316,649
TRANSMISSION EXPENSE:	
Mains	9,586.00
Measuring and Regulating Station	0.00
Supervision and Engineering	35,712.00
Total Transmission Expense	45,298
DISTRIBUTION EXPENSE:	
Operating, Supervision, and Engineering	942,512
Mains and Services	1,535,951
Measuring and Regulating Station	63,121
Meter and House Regulator	243,651
Customer Installation	375,590
Other	12,737
Rents	440.00
Total Distribution Expense	3,174,002
CUSTOMERS' ACCOUNT EXPENSE:	
Supervision	554,997
Meter Reading	38,787.00
Collection	902,178
Uncollectible Accounts	120,126
Miscellaneous	174,787
Billing Department	501,497
Total Customers' Account Expense	2,292,372
SALES PROMOTION:	
Revenues from Jobbing Work	(2,201)
Expenses of Jobbing Work	1,653
Total Sales Promotion	(548)
ADMINISTRATIVE AND GENERAL EXPENSES:	
Salaries of Officers and Executives	900,683
General Office Salaries	1,885,386
Officers' Expense	28,299
Office Employees' Expenses	115,630
Office Supplies and Expenses	1,842,628
Outside Services	605,960
Liability Insurance	409,939
Workers' Compensation	176,576
Employee Group Insurance	1,383,803
Vacation Pay	861,026
Holiday Pay	289,176
Sick Pay	49,065
Dependent Education and Employee Training	461,571
Employee Group Functions	35,212
Employer 401(k) Contribution	618,121
Other	
Total Administrative and General Expenses	9,663,075
Total Other Operating Expenses	$ 15,174,199

OHIO VALLEY GAS CORPORATION
CONSOLIDATED SCHEDULES OF MAINTENANCE EXPENSE
YEARS ENDED DECEMBER 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

	2025
COST OF SALES	14,316,649
TRANSMISSION EXPENSE:	
Mains	9,586.00
Measuring and Regulating Station	0.00
Supervision and Engineering	35,712.00
Total Transmission Expense	45,298
DISTRIBUTION EXPENSE:	
Operating, Supervision, and Engineering	942,512
Mains and Services	1,535,951
Measuring and Regulating Station	63,121
Meter and House Regulator	243,651
Customer Installation	375,590
Other	12,737
Rents	440.00
Total Distribution Expense	3,174,002
CUSTOMERS' ACCOUNT EXPENSE:	
Supervision	554,997
Meter Reading	38,787.00
Collection	902,178
Uncollectible Accounts	120,126
Miscellaneous	174,787
Billing Department	501,497
Total Customers' Account Expense	2,292,372
SALES PROMOTION:	
Revenues from Jobbing Work	(2,201)
Expenses of Jobbing Work	1,653
Total Sales Promotion	(548)
ADMINISTRATIVE AND GENERAL EXPENSES:	
Salaries of Officers and Executives	900,683
General Office Salaries	1,885,386
Officers' Expense	28,299
Office Employees' Expenses	115,630
Office Supplies and Expenses	1,842,628
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Liability Insurance	409,939
Workers' Compensation	176,576
Employee Group Insurance	1,383,803
Vacation Pay	861,026
Holiday Pay	289,176
Sick Pay	49,065
Dependent Education and Employee Training	461,571
Employee Group Functions	35,212
Employer 401(k) Contribution	618,121
Other	
Total Administrative and General Expenses	9,663,075
Total Other Operating Expenses	$ 15,174,199

OHIO VALLEY GAS CORPORATION
CONSOLIDATING BALANCE SHEET
YEAR ENDED DECEMBER 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	Ohio Valley Gas	Fountaintown Gas Company, Inc.	South Eastern Indiana Natural Gas Co. Inc.	Hanover Group IV, LLC	Eliminations	Consolidated
CURRENT ASSETS						
Cash and Cash Equivalents	$ 5,493,515	$ 586,853	$ 339,122	$ 1,273	$ -	$ 6,420,763
Accounts Receivable, Net	5,345,513	596,733	410,483	-	-	6,352,729
Unbilled Revenues	2,532,139	97,552	80,476	-	-	2,710,167
Due from Related Party	2,500,000	73,031	633	2,500,000	(5,000,000)	73,664
Stored Gas Inventories	808,447	-	-	-	-	808,447
Inventories	3,867,667	545,084	98,687	-	-	4,511,438
Prepaid Expenses	391,437	22,447	10,956	-	-	424,840
Regulatory Assets	744,293	-	45,547	-	-	789,840
Other	-	39,482	418,318	-	-	457,800
Total Current Assets	21,683,011	1,961,182	1,404,222	2,501,273	(5,000,000)	22,549,688
PROPERTY, PLANT, AND EQUIPMENT, Net	64,087,998	8,025,357	2,578,903	7,655,551	-	82,347,809
INVESTMENT IN AFFILIATES	16,918,267	-	-	-	(16,918,267)	-
Total Assets	$ 102,689,276	$ 9,986,539	$ 3,983,125	$ 10,156,824	$ (21,918,267)	$ 104,897,497

OHIO VALLEY GAS CORPORATION
CONSOLIDATING BALANCE SHEET
YEAR ENDED DECEMBER 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

	Ohio Valley Gas	Fountaintown Gas Company, Inc.	South Eastern Indiana Natural Gas Co. Inc.	Hanover Group IV, LLC	Eliminations	Consolidated
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES						
Accounts Payable	$ 3,198,677	$ 519,564	$ 311,313	$ 44,812	$ -	$ 4,074,366
Due to Affiliate	-	1,800,000	700,000	2,500,000	(5,000,000)	-
Current Maturities of Long-Term Debt	4,404,040	-	-	-	-	4,404,040
Customer Deposits	849,646	191,653	105,882	-	-	1,147,181
Deferred Revenue	818,366	-	-	-	-	818,366
Accrued Taxes, Other Than Income Taxes	1,209,386	66,685	29,718	-	-	1,305,789
Accrued Payroll, Vacation, and Benefits	1,006,864	112,184	40,950	-	-	1,159,998
Accrued Interest	-	45,243	20,427		-	65,670
Accrued Inventory	12,662	4,770	(136)	-	-	17,296
Refundable Gas Costs	159,488	-	-	-	-	159,488
Income Taxes Payable	881,248	421,369	148,278	-	-	1,450,895
Other	379,952	(35,513)	(13,907)	-	-	330,532
Total Current Liabilities	12,920,329	3,125,955	1,342,525	2,544,812	(5,000,000)	14,933,621
DEFERRED INCOME TAXES	8,889,580	704,832	269,556	-		9,863,968
EXCESS DEFERRED TAX RESERVES	3,814,491	2	-	-		3,814,493
LONG-TERM DEBT	8,695,163	-	-	-		8,695,163
Total Liabilities	34,319,563	3,830,789	1,612,081	2,544,812	(5,000,000)	37,307,245
STOCKHOLDERS' EQUITY						
Ohio Valley Gas Coroporation Stockholders' Equity						
Common Stock	28,598,460	10,000	162,400	-	(172,451)	28,598,409
Treasury Stock	(23,160)	-	-	-	-	(23,160)
Additional paid-in capital	24,438	-	-	9,569,464	(9,569,464)	24,438
Retained Earnings	39,769,975	6,145,750	2,208,644	(1,957,452)	(7,176,352)	38,990,565
Total Shareholders' Equity	68,369,713	6,155,750	2,371,044	7,612,012	(16,918,267)	67,590,252
Total Liabilities and Stockholders' Equity	$ 102,689,276	$ 9,986,539	$ 3,983,125	$ 10,156,824	$ (21,918,267)	$ 104,897,497

OHIO VALLEY GAS CORPORATION
CONSOLIDATING INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

	Ohio Valley Gas	Fountaintown Gas Company, Inc.	South Eastern Indiana Natural Gas Co. Inc.	Hanover Group IV, LLC	Eliminations	Consolidated
OPERATING REVENUES						
Gas Sales	$ 46,432,164	$ 5,154,376	$ 2,982,486	$ -	$ -	$ 54,569,026
Total Operating Revenues	46,432,164	5,154,376	2,982,486	-	-	54,569,026
OPERATING EXPENSES						
Gas Operations	14,316,649	2,142,881	1,169,226	-	-	17,628,756
Other Operating	6,324,293	694,328	440,494	-	-	7,459,115
Maintenance	1,631,835	123,750	102,068	-	-	1,857,653
Depreciation	4,241,395	347,539	159,103	382,799	-	5,130,836
Taxes Other Than Income Taxes	1,181,360	54,435	17,920	-	-	1,253,715
Regulatory Credits	-	-	174,007	-	-	174,007
General and Administrative	9,654,609	817,692	223,320	8,466	-	10,704,087
Total Operating Expenses	37,350,141	4,180,625	2,286,138	391,265	-	44,208,169
OPERATING INCOME (LOSS)	9,082,023	973,751	696,348	(391,265)	-	10,360,857
OTHER INCOME (EXPENSE)						
Interest and Dividend Income	245,537	32,501	10,917	203	-	289,158
Interest Expense	(631,392)	(98,209)	(54,943)	1,746	-	(782,798)
Allowance for Funds Used During Construction	185,986	7,335	14,438	-	-	207,759
Other, Net	(34,930)	(6,522)	(3,945)	-	-	(45,397)
Total Other Income (Expense)	(234,799)	(64,895)	(33,533)	1,949	-	(331,278)
INCOME BEFORE TAXES	8,847,224	908,856	662,815	(389,316)	-	10,029,579
PROVISIONS FOR INCOME TAX EXPENSE	(3,740,284)	(177,953)	(153,983)	-	-	(4,072,220)
NET INCOME (LOSS)	$ 5,106,940	$ 730,903	$ 508,832	$ (389,316)	$ -	$ 5,957,359

DATA REQUEST

PSC 2_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.

RESPONSE

a. OVG has historically used retained earnings and equity support to fund utility operations and capital investment, which results in a higher equity percentage and lower debt percentage. OVG recognizes that debt is currently less expensive than equity. OVG has taken steps to increase its access to long-term debt, including obtaining IURC authority to issue up to $25 million in long-term debt.[1] OVG will use debt financing when prudent and appropriate based on capital needs, available terms, and regulatory requirements.

b. OVG has not adopted a formal 50/50 debt-to-equity target capital structure. However, issuance of the full $25 million in long-term debt approved by the IURC would result in OVG being leveraged with approximately 26% debt and 74% equity.

Witness: Steven P. James

[1] *See Ohio Valley Gas*, Cause No. 46336 (IURC 2026).

DATA REQUEST

PSC 2_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.

RESPONSE

Based on the GPAA components included in OVG's response to Staff's First Request, Item 19, the annual GPAA amortization is approximately $87,095.24, subject to update for final transaction costs and regulatory process costs.

However, using the reconciled transaction cost amount of $97,119.50, as shown in OVG's response and supporting attachments to Commission Staff's First Request for Information, Item 24, the annual amortization is approximately $87,479.64.

Witness: Steven P. James

DATA REQUEST

PSC 2_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.

RESPONSE

a. The current number of emergency isolation valves is compliant with applicable federal and Kentucky safety standards. The current valving configuration is not conducive to minimizing customer loss in the event of excavation damage, but it is compliant with code.

b. OVG believes no additional valves are needed to be compliant with applicable federal and Kentucky state safety standards.

Witness: Gregory A. Bailey

DATA REQUEST

PSC 2_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.

RESPONSE

All of the deficiencies discovered during the February 2024 due diligence visit, and referred to in the February 2024 due diligence report, were corrected when found with the exception of map inaccuracies, unknown pipe sizes, and the piece of unknown bare steel discovered on Union Street. The coating deficiencies were corrected by Ohio Valley Gas and at OVG's cost. Kevin Kasey was present during the investigation and witnessed and approved the corrective actions.

Witness: Gregory A. Bailey

DATA REQUEST

PSC 2_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.

RESPONSE

Using the reconciled transaction cost amount of $97,119.50, the total GPAA amount is $874,796.36. Amortized over 10 years, the annual amortization is $87,479.64.

Valley Gas stated in its response to Staff's First Request, Item 4, that it did not calculate a current weighted average cost of capital ("WACC") structure at any time before or during its negotiations with OVG and has not attempted to do so since then. Accordingly, OVG cannot provide a final return component based on Valley Gas's WACC. OVG clarifies that any reference in the Joint Application to recovery using Valley Gas's WACC was not intended to rely on a separately calculated Valley Gas WACC. OVG also clarifies that references to "Valley Gas" in the Joint Application at page 11[2] do not refer to Valley Gas, Inc. but instead to the division of OVG that will operate in Irvington following closing of the transaction, and which will serve former customers of Valley Gas, Inc.

OVG is agreeable to using its WACC in connection with the deferral and recovery of the GPAA. Using OVG's WACC of 8.61%,[3] a 10-year straight-line amortization period, a return calculated on the average annual unamortized GPAA balance, and 470 customers, the estimated monthly impact for a typical residential customer is approximately $28.20 in year one and declines annually as the unamortized balance is reduced.

The calculation is subject to update based on final transaction costs, regulatory process costs, and the return treatment approved by the Commission.

Witness: Steven P. James

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[2] "OVG seeks authority to defer on Valley Gas' books and subsequently recover, in Valley Gas' base rates over a 10-year period with a return at Valley Gas' weighted average cost of capital, a GPAA . . . ."
[3] See OVG's response to Commission Staff's First Request for Information, Item 15.

DATA REQUEST

PSC 2_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.

RESPONSE

a. The nearest Ohio Valley Gas office is located at 701 Seventh Street, Tell City, Indiana.

b. Confirmed. Ohio Valley Gas is considering payment options local to Irvington. After acquiring the Grandview, Indiana municipal system, OVG has maintained an outside drop box at the exit of the Grandview Town Hall drive through where their citizens may also pay their water bills. We continue to check the drop box for payments on a weekly basis and around our billing due dates. OVG plans to find a similar option for Valley Gas customers. We will consider working with personnel at the Irvington City Hall since we have not yet found a suitable drop box location. Finding a local payment option will be a high-priority task to be completed within the first 30 days of ownership, assuming approval and consummation of the transaction.

Witness: John T. Stenger

DATA REQUEST

PSC 2_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.

RESPONSE

OVG has only received safety violation penalties from the IURC for at-fault excavation damages related to locating pipelines . They are as follows:

2023-Fountaintown Gas received a $2,000 penalty for at fault-damages in CY 2022. This was reduced from $4,000 due to OVG's remedial training provided to locators. Fountaintown Gas had seven total at-fault damages for the year.

2025-Ohio Valley Gas received a $3,000 penalty for at-fault damages in CY 2024. This was reduced from $4,000 due to OVG's remedial training provided to locators. OVG had seven total at-fault damages for the year.

2026-Ohio Valley Gas has received notification letters of proposed penalties for both OVG and Fountaintown Gas for at-fault damages in CY 2025. Both companies had four total at-fault damages, with a respective proposed penalty of $1,000 each.

Witness: Gregory A. Bailey

VERIFICATION

STATE OF Indiana)
) ss:
COUNTY OF Randolph)

The undersigned, JOHN T. STENGER, being duly sworn, deposes and says that he is VP & COO of Ohio Valley Gas Corporation, that he has personal knowledge of the matters set forth above, and that the foregoing information is true and correct to the best of his knowledge, information, and belief.

CAREY DAWN ROBINSON-TODD
My Comm. Exp. 07/04/30
Comm. #NP0742172
NOTARY SEAL PUBLIC
Randolph County
STATE OF INDIANA

JOHN T. STENGER
Name (Please Print)

John T. Stenger
Signature

Sworn to before me and subscribed in my presence this 24 day of July, 2026.

Carey Dawn Robinson-Todd
Notary Public

VERIFICATION

STATE OF Indiana)
) ss:
COUNTY OF Randolph)

The undersigned, Steven P. James, being duly sworn, deposes and says that he is VP of Finance of Ohio Valley Gas Corporation, that he has personal knowledge of the matters set forth above, and that the foregoing information is true and correct to the best of his knowledge, information, and belief.

CAREY DAWN ROBINSON-TODD
My Comm. Exp. 07/04/30
Comm. #NP0742172
NOTARY SEAL PUBLIC
Randolph County
STATE OF INDIANA

STEVEN P. JAMES
Name (Please Print)

Signature

Sworn to before me and subscribed in my presence this 24 day of July, 2026.

Carey Dawn Robinson-Todd
Notary Public

VERIFICATION

STATE OF Indiana)
) ss:
COUNTY OF Randolph)

The undersigned, Gregory A. Bailey, being duly sworn, deposes and says that he is VP & Chief Engineer of Ohio Valley Gas Corporation, that he has personal knowledge of the matters set forth above, and that the foregoing information is true and correct to the best of his knowledge, information, and belief.

CAREY DAWN ROBINSON-TODD
My Comm. Exp. 07/04/30
Comm. #NP0742172
NOTARY SEAL PUBLIC
Randolph County
STATE OF INDIANA

Gregory A. Bailey
Name (Please Print)

[signature]
Signature

Sworn to before me and subscribed in my presence this 24 day of July, 2026.

Carey Dawn Robinson-Todd
Notary Public

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8 as modified by the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on July 24, 2026, and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.

/s/ Rajan Kapoor
Counsel for Ohio Valley Gas Corporation