

RECEIVED

JUN 13 2019

PUBLIC SERVICE  
COMMISSION  
270-547-2455

**Valley Gas, Inc.**

401 First Street, Irvington, Kentucky 40146

June 11, 2019

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

Dear Mr. Greenwell:

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

If additional information is needed, please advise.

Your assistance is appreciated.

Sincerely

*Kerry Kasey*

Kerry Kasey  
Valley Gas, Inc.

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COMMISSION

## SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
		Proposed
Expected Gas Cost (EGC)	\$/Mcf	\$4.0000
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	(\$0.5654)
Balance Adjustment (BA)	\$/Mcf	\$0.0000
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$3.4346

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

July 1, 2019  
March 31, 2019

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$177,352.92
/Sales for the 12 months ended	\$/Mcf	44,337.86
Expected Gas Cost	\$/Mcf	\$4.0000
<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	
+Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
=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	(\$0.4572)
+Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.4276
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.0922)
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.4436)
=Actual Adjustment (AA)	\$/Mcf	(\$0.5654)
<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 March 31, 2019

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5) Mcf Rate	(6) (4) x (5) Cost
Constellation Energy	51,141	1.03	49,651.46	\$3.9234	\$194,802.52
Mago Volumes	(1,092)	1.03	(1,060.19)	\$3.9234	(\$4,159.57)
Storage Volume	(3,489)	1.03	(3,387.38)	\$3.9234	(\$13,290.04)
					\$0.00
					\$0.00
					\$0.00
					\$0.00

Totals			45,203.88		\$177,352.92
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Line loss for 12 months ended 3/31/2019 is based on purchases of 45,203.88  
and sales of 45,668 Dth.  
or 44,337.86 Mcf. 1.92%

	Unit	Amount
Total Expected Cost of Purchases (6)		\$177,352.92
/ Mcf Purchases (4)		45,203.88
= Average Expected Cost Per Mcf Purchased		\$3.9234
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		45,203.88
= Total Expected Gas Cost (to Schedule IA)		<b>\$177,352.92</b>



Date	Residential Usage	Residential Revenue	Commerical Usage	Commerical Revenue	Total Resid & Comm Usage	Total Resid & Comm Revenue	Industrial Usage	Industrial Revenue	Total Usage
17-Jan	4610.5	28640.09	960.8	5863.83	5571.3	34503.92	0	0	5571
17-Feb	4334.5	26798.36	818.7	5010.1	5153.2	31808.46	0	0	5153
17-Mar	3543.4	21908.71	702.9	4308.72	4246.3	26217.43	0	0	4246
17-Apr	2124.7	7368.24	226.6	1477.72	2351.3	8845.96	2	12.07	2353
17-May	852.4	5622.24	191	1244.61	1043.4	6866.85	4.3	25.72	1048
17-Jun	439.7	3156.59	129.6	889.47	569.3	4046.06	2.1	13.41	571
17-Jul	452.4	3113.85	105.9	726.23	558.3	3840.08	135.7	831.14	694
17-Aug	382.8	2634.96	92.4	633.53	475.2	3268.49	154.2	944.53	629
17-Sep	473.1	3102.86	114.6	5812.83	587.7	8915.69	413.2	2709.97	1001
17-Oct	493.9	3399.68	131.4	4126.34	625.3	7526.02	110.8	726.66	736
17-Nov	3129.8	21339.13	581.1	3990.24	3710.9	25329.37	3	20	3714
17-Dec	3944.1	27145.79	794.1	5420.76	4738.2	32566.55	0	0	4738
18-Jan	7685.8	52898.61	1607.8	10994.73	9293.6	63893.34	0	0	9294
18-Feb	4396.6	30260.14	843.6	5771.25	5240.2	36031.39	0	0	5240
18-Mar	4552.2	31356.47	793.9	5442.32	5346.1	36798.79	0	0	5346
18-Apr	2286	16933.44	454	3349.76	2740	20283.2	0	0	2740
18-May	677	5001.97	165	1212.94	842	6214.91	2531	16598.65	3373
18-Jun	448	3305.03	120	878.38	568	4183.41	2083	13660.67	2651
18-Jul	360	2660.75	92	676.07	452	3336.82	2904	19044.22	3356
18-Aug	339	2519.91	89	657.08	428	3176.99	2683.8	17599.95	3111.8
18-Sep	447	3162.38	121	853.8	568	4016.18	399	3350.52	967
18-Oct	1255	8873.43	221	1559.66	1476	10433.09	0.9	5.71	1476.9
18-Nov	3012	20547.25	539	3665.34	3551	24212.59	0	0	3551
18-Dec	4085	27864.36	790	5351.44	4875	33215.8	0	0	4875
19-Jan	5534	30722.62	1091	5989.42	6625	36712.04	0	0	6625
19-Feb	4788	26525.91	1012	5529.75	5800	32055.66	0	0	5800
19-Mar	4927	27298.15	884	4842.62	5811	32140.77	0	0	5811
total	28158	175415.2	5578	34566.26	33736	209981.5	10601.7	70259.72	44337.7

PURCHASES	USAGE PUR	MONTHLY GAS COST	TRANSPORTATION COST	USAGE THRU CITY GAGE	INVENTORY VOLUME	TOTAL GAS COST
18-Apr	4375	12747.2	\$ 3,132.63	3478.0	0	\$ 15,879.83
18-May	3336	9738.81	\$ 3,086.69	3427.0		\$ 12,825.50
18-Jun	1990	5878.9	\$ 2,328.35	2585.0	2044	\$ 8,207.25
18-Jul	4750	14033.85	\$ 2,788.61	3096.0		\$ 16,822.46
18-Aug	4619	14235.26	\$ 3,063.35	3401.1	-8297	\$ 17,298.61
18-Sep	4800	14621.28	\$ 622.48	691.1	8843	\$ 15,243.76
18-Oct	4814	15717.54	\$ 2,116.64	2350.0	2464.0	\$ 17,834.18
18-Nov	4989	19769.16	\$ 5,262.80	5843.0	-854.0	\$ 25,031.96
18-Dec	4360	15256.21	\$ 5,192.56	5764.4	-1404.4	\$ 20,448.77
19-Jan	4960	15100.88	\$ 6,878.66	7636.2	-2676.2	\$ 21,979.54
19-Feb	3950	11551.06	\$ 4,784.52	5311.4	-1361.4	\$ 16,335.58
19-Mar	4198	12410.22	\$ 4,726.88	5247.4	-1049.4	\$ 17,137.10
19-Apr	2714	7535.57	\$ 1,531.17	1699.8	1014.2	\$ 9,066.74
total	51141	161060.37	43984.17	48830.6584	-2291.397092	205044.54

Texas Gas Transmission, LLC 116972101

Storage Summary

Accounting Period: 03/2019

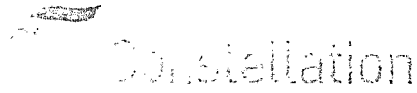
Svc Req: Valloy Gas, Inc. 000850042

Statement Date/Time: 04/00/2019 0:00 00AM

Contact Name/Phone:

Derrick Thompson (270) 688-6760

Svc Req K	Activity	Beg Bal	Bal Adj	PPA	Injection	Withdrawal	Net	End Bal	Transfer Svc Req K
940 SGT	Current Month	4,618			649	1,770	(1,120)	3,480	
		4,618			649	1,770	(1,120)	3,480	



Invoice Date: 02/13/19  
Invoice Number: 2525657

Account ID: [REDACTED]  
Due Date: 03/04/19

**Total Amount Due \$21,979.54**

**Message Center**

Have You Reviewed Your Natural Gas Strategy Lately? If you haven't evaluated your energy strategy lately, you may want to take a closer look. The right strategy can help you meet your business goals. Check out our blog at [www.constellation.com/strategy](http://www.constellation.com/strategy) for more information.

SUMMARY CHARGES	
Gas Supply Charges	\$15,100.88
Other Gas Related Charges	\$6,878.66
Taxes	\$0.00
Account Adjustments	\$0.00
<b>Total New Charges</b>	<b>\$21,979.54</b>

**SITE DETAILS**

Service for January 2019

Gas Supply Charges	Quantity	Rate	Amount
Fixed Basis with Fixed Commodity Gas	750.00 Dth	\$2.99000	\$2,242.50
Fixed Basis with Fixed Commodity Gas	500.00 Dth	\$2.95000	\$1,475.00
Fixed Basis with Fixed Commodity Gas	500.00 Dth	\$2.85000	\$1,425.00
Subtotal Gas Supply Charges	3,210.00 Dth	\$3.10230	\$9,958.38
	4,960.00 Dth		\$15,100.88

**Other Ways to Pay Your Bill**



**Energy Manager**

Manage your account at [www.newenergymanagerapp.constellation.com](http://www.newenergymanagerapp.constellation.com)



**Phone**

Call 844.309.7092 for our 24/7 phone payment option



**ACH/Wire**

Constellation NewEnergy-Gas Division, LLC  
Bank Name: Wells Fargo  
ACH ABA #121000248 / [REDACTED]  
Wire ABA #121000248 / [REDACTED]





**Constellation.**  
An Exelon Company

Invoice Date: 03/12/19  
Invoice Number: 2550684

Account ID: [REDACTED]  
Due Date: 03/29/19

**For Customer Care:**  
 Email: GasCustomerCare@constellation.com  
 Phone: (844) 200-3427  
 Website: www.constellation.com

**Total Amount Due \$16,335.58**

**Message Center**

While fixed price contracts seem like they can offer greater budget stability, it's important to educate yourself about all cost components that make up your total energy costs. Check our blog at [www.constellation.com/energymanagement](http://www.constellation.com/energymanagement) for more information.

SUMMARY CHARGES	
■ Gas Supply Charges	\$11,551.06
■ Other Gas Related Charges	\$4,784.52
■ Taxes	\$0.00
■ Account Adjustments	\$0.00
<b>Total New Charges</b>	<b>\$16,335.58</b>

**SITE DETAILS**

Irvington Gas Company, Inc.  
401 S 1st St, Irvington, KY 40146-7241  
LDC Account: SGT940  
Customer ID: RG-158576

**Service for February 2019**

**Gas Supply Charges**

	Quantity	Rate	Amount
Firm Basis with Firm Commodity Gas	550.00 Dth	\$2.99000	\$1,644.50
Firm Basis with Firm Commodity Gas	500.00 Dth	\$2.95000	\$1,475.00
Firm Basis with Firm Commodity Gas	500.00 Dth	\$2.85000	\$1,425.00
Incremental Gas Costs	2,400.00 Dth	\$2.91940	\$7,006.56
<b>Subtotal Gas Supply Charges</b>	<b>3,950.00 Dth</b>		<b>\$11,551.06</b>

**Other Ways to Pay Your Bill**



**Energy Manager**

Manage your account at:  
<https://energymanager.constellation.com>



**Phone**

Call 844.309.7092 for our 24/7 phone payment option



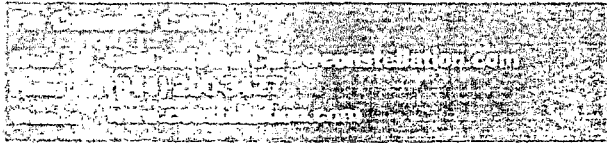
**ACH/Wire**

Constellation NewEnergy-Gas Division, LLC  
Bank Name: Wells Fargo  
ACH ABA #121000248 / [REDACTED]  
Wire ABA #121000248 / [REDACTED]



Invoice Date: 04/10/19  
Invoice Number: 2573941

Account ID: [REDACTED]  
Due Date: 04/29/19



**Total Amount Due \$17,137.10**

**Message Center**

While fixed price contracts seem like they can offer greater budget stability, it's important to educate yourself about all cost components that make up your total energy costs. Check our blog at [www.constellation.com/yourgascontract](http://www.constellation.com/yourgascontract) for more information.

SUMMARY CHARGES	
■ Gas Supply Charges	\$12,410.22
□ Other Gas Related Charges	\$4,726.88
■ Taxes	\$0.00
□ Account Adjustments	\$0.00
<b>Total New Charges</b>	<b>\$17,137.10</b>

*PROV  
4-12-19*

**SITE DETAILS**

Inkington Gas Company, Inc.  
401 S 1st St Inkington, KY 40146-7241  
LDC License: SGT940  
Customer ID: 99-159576

**Service for March 2019**

Gas Supply Charges	Quantity	Rate	Amount
Fixed Basis with Fixed Commodity Gas	900.00 Dth	\$2.99000	\$2,392.00
Fixed Basis with Fixed Commodity Gas	500.00 Dth	\$2.95000	\$1,475.00
Fixed Basis with Fixed Commodity Gas	500.00 Dth	\$2.85000	\$1,425.00
Incremental Gas Costs	2,398.00 Dth	\$2.96840	\$7,118.22
Structural Gas Supply Charges	4,198.00 Dth		\$12,410.22

**Other Ways to Pay Your Bill**



**Energy Manager**

Manage your account at:  
<https://energymanager.constellation.com>



**Phone**

Call 844.309.7092 for our 24/7 phone payment option



**ACH/Wire**

Constellation NewEnergy-Gas Division, LLC  
Bank Name: Wells Fargo  
ACH ABA #121000248 / [REDACTED]  
Wire ABA #121000248 / [REDACTED]

Fuel  
JRG%

Actual or Average 3 Yr USAGI	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
Nomination	2,585	1,554	1,958	3,361	2,442	1,971	1,907	995	659	589	650	660
Volume to Purchase	1,235	(206)	81	1,611	892	173	1,619	1,274	2,966	1,506	1,730	529
Settlement/Market Price	\$ 1,2540	\$ 1,2540	\$ 1,2540	\$ 4,8740	\$ 4,8740	\$ 1,8740	\$ 1,2820	\$ 1,2820	\$ 1,2820	\$ 1,2820	\$ 6,80	\$ 6,80
GT Transport	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007
Fuel												
NEG-Invoice/Dth	\$ 4,1547	\$ 4,1547	\$ 4,1547	\$ 5,7747	\$ 5,7747	\$ 5,7747	\$ 4,1877	\$ 4,1877	\$ 4,1877	\$ 4,1877	\$ 4,1877	\$ 4,1877
3tu - Zone 3	\$ 1,0671	\$ 1,0671	\$ 1,0450	\$ 1,0450	\$ 1,0450	\$ 1,0450	\$ 1,0450	\$ 1,0450	\$ 1,0450	\$ 1,0639	\$ 1,0639	\$ 1,0639
Mcf Conversion	\$ 4,4337	\$ 4,4337	\$ 4,3415	\$ 6,0343	\$ 6,0343	\$ 6,0343	\$ 4,1707	\$ 4,1707	\$ 4,1707	\$ 4,1707	\$ 4,1707	\$ 4,1707
Mcf Conversion	\$ 0.0443	\$ 0.0443	\$ 0.0434	\$ 0.0603	\$ 0.0603	\$ 0.0603	\$ 0.0417	\$ 0.0417	\$ 0.0417	\$ 0.0417	\$ 0.0417	\$ 0.0417
	\$ 5,131.05	\$ (1,225.64)	\$ 336.53	\$ 9,301.04	\$ 5,151.03	\$ 999.02	\$ 6,771.79	\$ 11,694.16	\$ 12,405.89	\$ 12,476.80	\$ 6,156.55	\$ 1,881.55
Volume Hedged	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
	1,350	1,849	1,875	1,750	1,550	1,800	1,388	1,600	1,563	1,650	1,400	1,200
VACOG for Hodges	\$ 2,9000	\$ 2,9300	\$ 2,9300	\$ 2,9386	\$ 2,9419	\$ 2,9400	\$ 2,9252	\$ 2,9338	\$ 2,9324	\$ 2,9325	\$ 2,9257	\$ 2,9150
GT Transport	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007
Fuel	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
NEG-Invoice/Dth	\$ 3,8007	\$ 3,8307	\$ 3,8307	\$ 3,8393	\$ 3,8126	\$ 3,8407	\$ 3,8259	\$ 3,8345	\$ 3,8331	\$ 3,8362	\$ 3,8264	\$ 3,8157
3tu - Zone 3	\$ 1,0671	\$ 1,0671	\$ 1,0450	\$ 1,0450	\$ 1,0450	\$ 1,0450	\$ 1,0450	\$ 1,0450	\$ 1,0450	\$ 1,0639	\$ 1,0639	\$ 1,0639
Mcf Conversion	\$ 4,0559	\$ 4,0879	\$ 4,0029	\$ 4,0119	\$ 4,0049	\$ 4,0133	\$ 3,9979	\$ 4,0069	\$ 4,0054	\$ 4,0814	\$ 4,0710	\$ 4,0596
Mcf Conversion	\$ 0.0406	\$ 0.0409	\$ 0.0400	\$ 0.0401	\$ 0.0400	\$ 0.0401	\$ 0.0400	\$ 0.0401	\$ 0.0401	\$ 0.0408	\$ 0.0407	\$ 0.0406
	\$ 5,130.95	\$ 7,082.96	\$ 7,182.56	\$ 6,718.73	\$ 5,940.59	\$ 6,913.26	\$ 5,310.35	\$ 6,135.20	\$ 5,991.14	\$ 6,329.73	\$ 5,356.96	\$ 4,578.84
Storage (Injection)/Withdrawals	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
	754	(2,846)	(3,344)	(3,814)	(3,840)	(2,834)	1,106	3,879	3,870	4,567	2,470	1,069
VACOG for Storage	\$ 3,0691	\$ 2,8685	\$ 2,9434	\$ 3,8663	\$ 3,6413	\$ 3,1096	\$ 3,1173	\$ 3,1677	\$ 3,1613	\$ 2,7468	\$ 2,7777	\$ 2,8361
GT Transport	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007
Fuel												
NEG-Invoice/Dth	\$ 3,9698	\$ 3,7692	\$ 3,8441	\$ 4,7670	\$ 4,5420	\$ 4,0103	\$ 4,0180	\$ 4,0684	\$ 4,0620	\$ 3,6475	\$ 3,6784	\$ 3,7171
3tu - Zone 3	\$ 1,0671	\$ 1,0671	\$ 1,0450	\$ 1,0450	\$ 1,0450	\$ 1,0450	\$ 1,0450	\$ 1,0450	\$ 1,0450	\$ 1,0639	\$ 1,0639	\$ 1,0639
Mcf Conversion	\$ 4,2364	\$ 4,0223	\$ 4,0169	\$ 4,9812	\$ 4,7462	\$ 4,1906	\$ 4,1986	\$ 4,2513	\$ 4,2446	\$ 3,8807	\$ 3,9136	\$ 3,9760
Mcf Conversion	\$ 0.0424	\$ 0.0402	\$ 0.0402	\$ 0.0498	\$ 0.0475	\$ 0.0419	\$ 0.0420	\$ 0.0425	\$ 0.0424	\$ 0.0388	\$ 0.0391	\$ 0.0398
	\$ 2,993.25	\$ (10,727.13)	\$ (12,854.73)	\$ (18,181.20)	\$ (17,441.36)	\$ (11,365.13)	\$ 4,443.91	\$ 15,781.31	\$ 15,720.13	\$ 16,658.15	\$ 9,085.74	\$ 3,994.93
\$\$ per Dth	\$ 3,9698	\$ 3,7692	\$ 3,8441	\$ 4,7670	\$ 4,5420	\$ 4,0103	\$ 4,0180	\$ 4,0684	\$ 4,0620	\$ 3,6475	\$ 3,6784	\$ 3,7371
Overall \$\$\$ per Mcf	\$ 4.2364	\$ 4.0223	\$ 4.0169	\$ 4.9812	\$ 4.7462	\$ 4.1906	\$ 4.1986	\$ 4.2513	\$ 4.2446	\$ 3.8807	\$ 3.9136	\$ 3.9760