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Angie Hatton
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September 27, 2024

PARTIES OF RECORD

Re: Case No. 2023-00385

Notice is given to all parties that the attached Valley Gas, Inc. Informal Conference Memorandum and attendance list has been filed into the record of this proceeding.

If you have any comments you would like to make regarding the contents of the document, please do so within five days of receipt of this letter. If you have any questions, please contact Jason Colyer, at Jason.Colyer@ky.gov.

Sincerely,

A handwritten signature in blue ink that reads "Linda C. Bridwell".

Linda C. Bridwell, PE
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File Nos. 2023-00385/2024-00175

FROM: Jason Colyer, Staff Attorney III
Sarah Jankowski, Financial Analyst IV
Mitchell Pollard, Financial Analyst I

DATE: September 26, 2023

RE: Case Nos. 2023-00385, 2024-00175, Valley Gas, Inc. Informal Conference of September 19, 2024

An informal conference (IC) was conducted on September 19, 2024 at 11:00 a.m. Eastern Daylight Time. An Order officially scheduling the IC was issued September 13, 2024. Attached is a copy of the attendance roster.

The purpose of the IC was for Valley Gas, Inc. (Valley Gas) to obtain clarification from Commission Staff (Staff) on the proposed method of gas cost recovery (GCR) in this matter. Staff indicated during the IC that it needed additional data and clarification regarding certain data provided in prior filings in the above-referenced cases and would be issuing additional data requests to supplement the record. Staff noted the following issues as needing to be addressed via data requests before a final Order in the two above-referenced cases could be rendered by the Commission.

First, Staff was unable to verify the effect of gas storage on GCR calculations due to incomplete data and questions about the meaning of provided data. Staff noted that it needed Valley Gas to provide all monthly volume and pricing information for storage injections and withdrawals made by its sole gas supplier, Constellation Energy (Constellation), during the recovery periods. Kerry Kasey, President of Valley Gas, verified during the IC that Constellation controls all of Valley Gas's storage injections and withdrawals, and that Valley Gas would request volume and pricing information from Constellation for the data request responses. Staff also indicated it would request clarification of the meaning of the headers on storage inventory spreadsheets,¹ clarification on the volumetric unit of measurement used in the reports, and whether inventory volume listed on other spreadsheets represented balances or individual injections/withdrawals.² Staff also indicated that it was unclear what unit of measurement volumes were used on inventory reports.

¹ Case No. 2023-00385, "[1ST Q 2024 REDACTED.pdf](#)" (filed Aug. 20, 2024) at unnumbered 6; Case No. 2024-00175, "[3RD Q 2024 RATE COST ADJUSTMENT CALCULATIONS.pdf](#)" (filed Aug. 16, 2024) at unnumbered 6.

² Case No. 2023-00385, "[1ST Q 2024 REDACTED.pdf](#)" (filed Aug. 20, 2024) at unnumbered 4; Case No. 2024-00175, "[3RD Q 2024 RATE COST ADJUSTMENT CALCULATIONS.pdf](#)" (filed Aug. 16, 2024) at unnumbered 4.

Second, Valley Gas's attorney, Duncan Crosby, inquired as to the effect on its GCR calculations of its prior erroneous inclusion of gas costs attributable to industrial special contract customer Mago Construction (Mago) in its GCR calculations. Staff indicated that once it had the storage information and was able to verify the effect of storage data on the GCR calculations, the Commission could resolve this issue in its final order. Mr. Kasey verified that Mago has purchased all of its gas from Valley Gas (instead of directly from Constellation). He also verified that Valley Gas was still excluding Mago gas cost from its GCR calculations and Mago was still being charged the GCR rate on its bills from Valley Gas.

Staff indicated it would issue an additional set of data requests specifying the information needed as discussed during the IC. There being no further discussion, the IC was then adjourned.

cc: Parties of Record

PSC INFORMAL CONFERENCE SIGN IN SHEET

CASE NUMBER: IC 2023-00385 Valley Gas Incorporated

LOCATION: Microsoft Teams

DATE: September 19, 2024 11:00am- 12:00pm

NAME	COMPANY
<u>Jason Colyer</u>	<u>Public Service Commission, Office of General Counsel</u>
<u>Ben Bellamy</u>	<u>Public Service Commission, Office of General Counsel</u>
<u>Sarah Jankowski</u>	<u>Public Service Commission, Division of Financial Analysis</u>
<u>Mitchell Pollard</u>	<u>Public Service Commission, Division of Financial Analysis</u>
<u>Duncan Crosby</u>	<u>Counsel for Valley Gas, Inc.</u>
<u>Kerry Kasey</u>	<u>Valley Gas, Inc., President</u>
<u>Cova Haynes</u>	<u>Valley Gas, Inc.</u>

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