

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**PETITION OF OHIO VALLEY GAS CORP. AND)
OHIO VALLEY GAS, INC. FOR APPROVAL OF AN)
ADJUSTMENT TO THEIR RATES THROUGH THEIR)
PIPELINE SAFETY ADJUSTMENT AUTHORIZED) CAUSE NO. 44317 PSA-7
IN THE COMMISSION'S ORDERS IN CAUSE NOS.)
43209 AND 43208, AND TO COMPLY WITH)
CERTAIN FINDINGS OF THE COMMISSION'S)
ORDER IN CAUSE NO. 44147.)**

VERIFIED JOINT PETITION

Ohio Valley Gas Corporation and its wholly-owned subsidiary, Ohio Valley Gas, Inc. (collectively "OVG" or "Petitioners") respectfully request approval of adjustments to be reflected in their Pipeline Safety Adjustment ("PSA") tracker rates.

Background

1. The Indiana Utility Regulatory Commission ("Commission") first authorized OVG to implement a PSA in the Commission's orders in Cause Nos. 43209 and 43208 dated October 10, 2007 for their three (3) pipeline service areas, subject to a three (3)-year review of Petitioners' PSA.
2. In OVG's next general rate case, Cause No. 44147, the Commission's order issued on December 5, 2012, ("2012 Rate Order") approved a settlement agreement ("2012 Settlement Agreement") granting Petitioners' request for approval of new base rates and charges based on the combined costs of service of all three (3) of their pipeline service areas. Among other provisions, the 2012 Settlement Agreement and the 2012 Rate Order required Petitioners within three months of the date of that order to file a reconciliation of their incurred PSA expenses under their PSA tracking mechanism and update the PSA tracker rates, and to thereafter perform such reconciliation and update of the tracker rates on an annual basis.

3. On March 4, 2013, Petitioners filed their PSA reconciliation and updated petition under Cause No. 44317. In its order dated July 3, 2013, in that cause, the Commission approved OVG's petition and further specified that the required annual reconciliation of Petitioners' tracker rates for each calendar year should be filed no later than March 31 of the subsequent year.

4. On March 31, 2014, Petitioners filed their petition under Cause No. 44317 PSA-1, the first of the annual reconciliation filings of their tracker rates. In that cause, Petitioners developed PSA tracker rates specific to each of their three (3) pipeline areas because most of their unrecovered PSA expenses to be recovered through the proposed rates were incurred in 2013 and earlier. For PSA expenses incurred during 2014, OVG transitioned to a common PSA tracker rate structure consistent with the Commission's 2012 Rate Order. The Commission approved OVG's proposed rates and rate structure, and OVG has made subsequent annual reconciliation filings each spring: PSA-2 in 2015; PSA-3 in 2016; PSA-4 in 2017; and PSA-5 in 2018, and PSA-6 in 2019.

5. OVG's current base rates were established by order of this Commission issued on October 17, 2017 in Cause No. 44891 utilizing an adjusted test year ending June 30, 2016. That order did not alter the basic structure for OVG's annual PSA tracker adjustment filings, although beginning with the 2018 PSA-5 filing, PSA costs to be recovered would be allocated to each rate class based on the revised allocation factors from the cost-of-service study used to design the new base rates approved in that 2017 rate case.

6. In the instant Cause, the seventh of the annual reconciliation filings of their tracker rates, Petitioners show that their 2019 PSA rates fully recovered previously unrecovered pipeline safety-related costs at December 31, 2018, but did not recover 2019 expenses incurred, and seek authority to adjust their PSA tracker rates accordingly to recover pipeline safety-related expenses through the end of 2019.

Description of Petitioners and Relief Sought

7. Both OVG entities are duly organized and existing under the laws of the State of Indiana, each with its principal offices located at 111 Energy Park Drive, Winchester, Indiana. Both are public utilities as defined by Ind. Code §8-1-2-1(a) and energy utilities as defined by Ind. Code §8-1-2.5-2 and are therefore subject to regulation by the Commission in the manner and to the extent provided by the laws of the State of Indiana.

8. OVG is authorized to and does provide gas utility service to approximately 28,800 customers in 16 counties in east central and southern Indiana and portions of one county in west central Ohio. It provides such gas utility service by means of utility plant, property, equipment and related facilities owned, operated, managed and controlled by either of the two OVG companies used and useful for the convenience of the public in the treatment, transmission, transportation, distribution and sale of natural gas.

9. Petitioners' operations are subject to the federal Pipeline Safety Improvement Act of 2002 ("Act") which requires Petitioners to undertake a number of activities intended to enhance pipeline and public safety, including but not limited to annual submission of transmission pipeline maps to the National Mapping Pipeline System, public education programs, pipeline integrity assessments and a pipeline integrity management program. Because of the Act and the regulations of the Federal Department of Transportation adopted thereunder, Petitioners have incurred, are now incurring, and will continue to incur incremental compliance expenses.

10. Petitioners' attorney in this cause is Clayton C. Miller with the law firm of STOLL KEENON OGDEN, PLLC, 201 N. Illinois St., Suite 1225, Indianapolis, IN 46204. Mr. Miller's telephone number is (317) 822-6786 and his facsimile number is (317) 464-1592. His email address is Clayton.Miller@skofirm.com and Mr. Miller is authorized to receive service of papers on behalf of the Petitioners in this Cause. Additionally, Petitioners request that copies of all

communications, including pleadings, orders and other papers served in this matter, be sent to the following:

Ronald P. Salkie
Vice President, CFO and CIO
Ohio Valley Gas Corporation
111 Energy Park Drive
P. O. Box 469
Winchester, IN 47394-0469
Telephone: (765) 584-6842, ext. 608
Email: ronald.salkie@ovgas.com

11. In this petition, Petitioners will, through their case-in-chief, (a) present the reconciliation of PSA Expenses incurred through December 2019 for their three (3) pipeline service areas compared to the tracker revenue recoveries of PSA Expenses during the 2019 period; and (b) propose updated PSA tracker rates designed to recover remaining PSA Expenses incurred through December 2019 utilizing the combined PSA allocation factors for transmission and distribution mains from Petitioners' 2017 rate case cost of service study, IURC Cause No. 44891.

12. Petitioners believe Ind. Code § 8-1-2-42, among other sections, is applicable to the subject matter of this Petition.

WHEREFORE, Petitioners Ohio Valley Gas Corporation and Ohio Valley Gas, Inc. request that the Commission conduct this proceeding in an expeditious manner, schedule a hearing herein and thereafter issue an Order in this Cause:

- (a) Approving the proposed revisions to their current Pipeline Safety Adjustment tracker rates; and
- (b) Granting such other and further relief as may be appropriate.

Dated this 31st day of March 2020.

Respectfully submitted,

OHIO VALLEY GAS CORPORATION and
OHIO VALLEY GAS, INC.

By: /s/ Clayton C. Miller

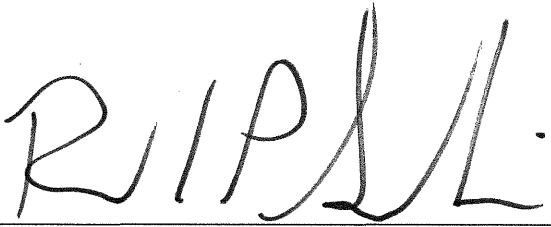
Its attorney

Clayton C. Miller, Att'y No. 17466-49
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VERIFICATION

I, Ronald P. Salkie, Vice President, CFO and CIO of Ohio Valley Gas Corporation and Ohio Valley Gas, Inc., the Petitioners in the above-entitled cause, have executed the foregoing petition and have authority so to do, have read said petition, and am familiar with its contents. I have also prepared or supervised the preparation of the foregoing Exhibits, have reviewed said Exhibits, and am familiar with their contents. I affirm, under penalties for perjury, that representations in the foregoing Verified Joint Petition and Exhibits are true and accurate to the best of my knowledge, information and belief.

Dated this 31st day of March 2020



A handwritten signature in black ink, appearing to read "RIPSL", is written over a horizontal line.

CERTIFICATE OF SERVICE

I hereby certify that I have on this day served a copy of the foregoing Verified Joint Petition and all Exhibits in Cause No. 44317 PSA-7 upon the Indiana Office of Utility Consumer Counselor by electronic mail to infomgt@oucc.IN.gov

Dated this 31st day of March 2020

/s/ Clayton C. Miller

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

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AUTHORIZED IN THE COMMISSION'S ORDERS IN CAUSE NOS. 43209)
AND 43208, AND TO COMPLY WITH CERTAIN FINDINGS OF THE)
COMMISSION'S ORDER IN CAUSE NO. 44147.)

TABLE OF EXHIBITS TO PETITION

<u>Exhibit No.</u>	<u>Description</u>
Exhibit RPS-1	Pre-filed Direct Testimony of Ronald P. Salkie
Exhibit RPS-2	Proposed Tariff Sheet (Appendix D) Showing Proposed Pipeline Safety Adjustment Rates
Exhibit RPS-3	Pipeline Safety Adjustment Reconciliation and Derivation of Rates
Exhibit RPS-4	Transmission and Distribution Mains Allocation Factors
Exhibit RPS-5	Proofs of Publications of Notice of Petition

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Cause No. 44317 PSA-7

DIRECT TESTIMONY

OF

RONALD P. SALKIE
VICE PRESIDENT, CFO AND CIO

ON BEHALF OF

OHIO VALLEY GAS CORPORATION
OHIO VALLEY GAS, INC.

PREPARED DIRECT TESTIMONY OF RONALD P. SALKIE

1. **Q. Will you please state your name and business address?**
A. Ronald P. Salkie, 111 Energy Park Drive, Winchester, Indiana 47394.
2. **Q. By whom are you employed?**
A. Ohio Valley Gas Corporation and its wholly-owned subsidiary, Ohio Valley Gas, Inc. (collectively "OVG" in this IURC Cause No. 44317 PSA-7).
3. **Q. What is your position with OVG?**
A. Vice President, CFO and CIO.
4. **Q. When did you begin your employment with OVG?**
A. April 14, 2014.
5. **Q. Will you please state your educational background?**
A. I graduated from Purdue University in 1989 with a Bachelor of Science degree in Industrial Management and a minor in Computer Science. I then attended Indiana University Bloomington in 1990 and graduated in 1992 with a Master of Business Administration (MBA), dual concentration in Corporate Finance and Management Information Systems.
6. **Q. Will you please state your employment history?**
A. I was employed from 1992 to 2013 by Delphi Electronics Corporation, an automotive electronics manufacturer headquartered in Auburn Hills, Michigan in a variety of corporate financial positions related to revenue planning, business planning, budgeting, forecasting, capital management, and engineering finance. In 2014, I joined Ohio Valley Gas Corporation (the Company) as Chief Financial and Information Officer, responsible for the financial and regulatory accounting and reporting, corporate taxes, treasury, gas supply, customer billing, and information technology functions of the Company and its subsidiaries, including Ohio Valley Gas, Inc. I also assumed responsibility for the Company's quarterly GCA and general rate filings before this Commission. I was promoted to Vice President, CFO and CIO effective February 27, 2017.
7. **Q. Are you a member of any business or professional organizations?**
A. Yes. I am the chairperson of the Indiana Energy Association (IEA) Gas Rate & Regulatory Committee and a member on both the Cybersecurity Committee and the Electric and Gas Taxation Committee.

8. **Q. Have you previously testified before the Indiana Utility Regulatory Commission?**

A. Yes. Since 2014 I have testified for OVG in support of their quarterly GCA filings and other causes before this Commission.

9. **Q. What is the purpose of your testimony in this filing?**

A. My testimony, including the related schedules and exhibits I sponsor, presents for OVG the (a) reconciliation of PSA Expenses incurred from January 2019 to December 2019 including PSA Expenses incurred prior to 2019 but not yet recovered as of December 31, 2018, compared to the tracker revenue recoveries of PSA Expenses during the 2019 calendar year; and (b) proposed updated PSA tracker rates designed to recover remaining PSA Expenses incurred through December 2019 utilizing the combined PSA allocation factors for transmission and distribution mains from OVG's 2017 rate case (Cause No. 44891) cost of service study.

10. **Q. Is OVG authorized to recover the PSA expenses you refer to?**

A. Yes. OVG's PSA was authorized in the Commission's orders in Cause Nos. 43209 and 43208 for the two OVG entities on October 10, 2007 ("2007 Rate Orders") approving settlement agreements in those base rate cases. In addition to establishing new base rates, the 2007 Rate Orders authorized OVG to implement a PSA designed to timely recover prudently incurred expenses ("PSA Expenses") caused by the new requirements of the federal Pipeline Safety Improvement Act of 2002 ("Act").

11. **Q. OVG has been authorized by the Commission to recover incremental expenses incurred to comply with the pipeline safety regulations. What does "incremental expenses" mean, and how does OVG determine which expenses are incremental?**

A. "Incremental expenses" are those expenses incurred in addition to expenses included in OVG's base rates. OVG consider current internal payroll costs (including overtime) and transportation (vehicle) expenses charged to a PSA project or activity/function to be non-incremental expenses. In my schedules comprising Exhibit RPS-2, OVG presents by month and PSA project/activity the amount of incremental PSA expenses ("Recoverable Expenses") incurred for a PSA project/activity net of non-incremental expenses incurred. OVG's workpapers provided in support of this filing include copies of the PSA project sub-ledgers which provide descriptions of the projects/activities, the detailed project charges by month and type of project costs (i.e. payroll, vendor/contractor, materials & supplies, etc.). Copies of vendor invoices and OVG's journal entries are also included as support for charges to the PSA projects or activities/functions.

12. **Q. Has the scope of the federal pipeline safety regulations been expanded since the 2002 Act?**

A. Yes. In general, the scope of the regulations has been expanded to include the distribution pipeline systems of natural gas utilities and other entities operating similar facilities. On February 12, 2010, a Final Rule of the United States Department of Transportation's Pipeline and Hazardous Materials Safety Administration became effective that mandates compliance by OVG with new integrity management requirements applicable to their distribution pipelines. To comply with the new rule, OVG was required to develop and implement a Distribution Integrity Management Program ("DIMP") plan and to perform various assessments and other compliance activities under this plan.

13. **Q. Has OVG incurred PSA Expenses associated with their distribution systems?**

A. Yes. In addition to incurring PSA Expenses associated with OVG's transmission facilities, in 2011 OVG also began to incur distribution pipeline PSA expenses to develop their DIMP plan and perform ongoing assessment and other activities required to comply with the distribution integrity management regulations.

14. **Q. Is OVG currently recovering any of their PSA Expenses associated with their distribution systems?**

A. Yes. Since August 1, 2013, OVG have been recovering PSA expenses incurred for their distribution systems.

15. **Q. Are the PSA rates proposed in this PSA-7 reconciliation filing common to all OVG's customers in the same Rate Class?**

A. Yes.

16. **Q. Were OVG's incremental PSA Expenses incurred during OVG's test year ended June 30, 2016 included in the pro-forma test year operating expenses used to determine OVG's current base rates approved in IURC Cause No. 44891?**

A. No. Incremental PSA Expenses incurred during the test year were excluded from the test year operating expenses through the pro-forma adjustment presented on Schedule 16 of Exhibit SMK-3 of OVG's case-in-chief for IURC Cause No. 44891. As discussed previously, OVG considers current internal payroll costs (including overtime) and transportation (vehicle) expenses charged to the PSA project or activity/function to be non-incremental expenses and presumed to be recovered through OVG's base rates.

17. **Q. Did you include estimated future PSA expenses in the proposed PSA rates derived on Schedule 1 of Exhibit RPS-3 of this filing?**

A. No. OVG used only actual incurred costs for determining their proposed PSA rates.

18. **Q. Please explain Exhibit RPS-2.**

- A. Exhibit RPS-2 is the updated Appendix D sheet of OVG's Tariff approved in Cause No. 44317, reflecting the proposed PSA rates including recovery of Indiana Utility Receipts Tax by Rate Class, as derived on Schedule 1 of Exhibit RPS-3 (Lines 30-35) of this filing.

19. **Q. Please explain the Schedules included in Exhibit RPS-3 and how each has changed as compared to previous PSA filings.**

- A. Schedule 1 summarizes the steps taken to determine the proposed PSA Rates/Therm with IURT for the upcoming twelve-month period. Line 1 of Schedule 1 presents the unrecovered PSA expenses as of December 31, 2018. This amount was approved for future recovery in OVG's Cause No. 44317 PSA-6, and is found on Line 5, Schedule 1, Exhibit RPS-3 of that filing. Line 2 summarizes the proposed recoverable incremental PSA expenses incurred during calendar year 2019, details of which are found on Page 2 of Schedule 2 in Exhibit RPS-3 of this filing. Line 4 summarizes the revenue recoveries through PSA rates in effect during 2019, the details of which are found on Page 3 of Schedule 2 in Exhibit RPS-3 of this filing. The net PSA costs to recover at December 31, 2019 on Line 5 are allocated to the customers of each Rate Class using the transmission and distribution mains allocation factors per Exhibit RPS-4 of this filing. These combined allocation factors for transmission and distribution mains are from the cost of service study developed for and filed as part of the evidence in Cause No. 44891, OVG's 2017 base rate case, which determined base rates utilizing the combined rate bases, operating expenses and cost of service studies of OVG's service areas. Weather-normalized actual 2019 customer billing volumes determined on Exhibit RPS-3, Schedule 3 were used on Lines 18-23 as the estimated billing volumes to derive the proposed PSA rates presented on this Schedule.

Page 1 of Schedule 2 lists the current year recoverable PSA expenses incurred and revenue recoveries summarized by month for the period of January 2019-December 2019. The totals for Columns B and C on Line 13 are carried to Line 2 and Line 4 of Schedule 1. Page 2 of Schedules 2 lists the Recoverable PSA expenses by PSA project/activity by month. Page 3 calculates the PSA revenue recoveries for the months of January 2019-December 2019 by applying the PSA rates in effect for each month by the applicable customer volumes billed to each customer Rate Class. For Rates S1, S2, and S4, OVG's newly implemented billing system computes the exact amount of PSA revenue recoveries for each customer (rounded to the nearest cent), improving the accuracy of the PSA revenue recoveries.

Schedule 3 calculates the estimated weather-normalized annual billing volumes for each Rate Class to be used on Lines 18-23 on Schedule 1 to derive the proposed PSA rates presented on Schedule 1. On Schedule 3, actual 2019 billing volumes for each Rate Class from Page 3 of Schedule 2 are totaled and are adjusted where applicable for temperature variances from normal by including the actual NTA therm adjustments reflected in 2019 customer bills. In addition, Schedule 3 volumes may be adjusted for changes to the 2019 actual volumes of larger customers planned for 2020 due to known changes in consumption, rate class, etc.

20. **Q. For this latest reconciliation period, please identify by project number each of OVG's pipeline safety projects shown on Schedule 2 for which you are seeking cost recovery via the PSA tracker and include a description of each project.**

A. The PSA projects/activities undertaken during the reconciliation period are as follows:

<u>Project</u>	<u>Description</u>
M11901	Portland costs related to corrosion inspection and repair of service risers
M11903	Portland costs related to the remediation of regulator stations
M11904	Portland costs for install of "No Smoking" signs at Regulator Station locations
M21202	Costs to comply with Federal Pipeline Integrity Management mandates
M21901	Winchester costs related to corrosion inspection and repair of service risers
M21907	Winchester costs related to the remediation of regulator stations
M21908	Winchester costs for install of "No Smoking" signs at Regulator Station locations
M41808	Connersville costs related to clearing of pipeline right of ways (cost under old #)
M41901	Connersville costs related to the remediation of regulator stations
M41904	Connersville costs related to clearing of pipeline right of ways
M41905	Connersville costs for install of "No Smoking" signs at Regulator Station locations
M41906	Connersville costs to lower/repair pipeline exposure in multiple areas
M51905	Tell City costs for install of "No Smoking" signs at Regulator Station locations
M91907	Sullivan costs for install of "No Smoking" signs at Regulator Station locations
M91911	Sullivan costs related to clearing of pipeline right of ways
IUPPS	Incremental IUPPS facility locate costs above test year locates for 2018
USDI	Incremental USDI contracted TIMP/DIMP/Integrity Management/Pipeline Safety

21. **Q. Does this conclude your direct testimony in this proceeding?**

A. Yes.

**OHIO VALLEY GAS CORPORATION
OHIO VALLEY GAS, INC.**

Exhibit RPS-2 is the proposed Tariff Sheet (Appendix D) showing proposed Pipeline Safety Adjustment rates, which is attached hereto.

APPENDIX D PIPELINE SAFETY ADJUSTMENT

APPLICABILITY

The Pipeline Safety Adjustment ("PSA") shall be applicable to all Customers on the rates set forth in the PSA CHARGES section below.

DESCRIPTION

The PSA shall cover incremental Operation and Maintenance expenses related to complying with federal pipeline integrity management mandates. Such costs would include expenses related to mapping, training, assessment, testing, data collection and storage, verification audits, remediation, right-of-way clearing, public education programs, and all other costs required to comply, including associated taxes, for Ohio Valley Gas Corporation and its wholly owned subsidiary, Ohio Valley Gas, Inc., (hereinafter called "OVGC").

OVGC's actual, incremental pipeline safety expenses shall be allocated to the rates using the cost allocation factors as set forth in OVGC's most recent cost of service study.

OVGC's actual, incremental pipeline safety expenses shall be reconciled annually with the actual recovery under this Pipeline Safety Adjustment, with any difference being reflected as a charge or credit over the next twelve months.

PSA CHARGES

The Pipeline Safety Adjustment shall be applied to each Therm of gas usage each month. The current PSA Charges by rate are set forth below:

<u>Rate No.</u>	<u>PSA Charge (\$ per Therm)</u>
11 / 41 / 91	\$0.0059 per Therm
12 / 42 / 92	\$0.0030 per Therm
14 / 44 / 94	\$0.0017 per Therm
15 / 45 / 95	\$0.0005 per Therm
16 / 46 / 96	\$0.0030 per Therm
18 / 48 / 98	\$0.0039 per Therm

Issued per IURC Cause No. 44147
First Revised per IURC Cause No. 44317
Second Revised per IURC Cause No. 44317 PSA-1
Third Revised per IURC Cause No. 44317 PSA-2
Fourth Revised per IURC Cause No. 44317 PSA-3
Fifth Revised per IURC Cause No. 44317 PSA-4
Sixth Revised per IURC Cause No. 44317 PSA-5
Seventh Revised per IURC Cause No. 44317 PSA-6
Eighth Revised per IURC Cause No. 44317 PSA-7

Approved: December 5, 2012
Approved: July 3, 2013
Approved: July 23, 2014
Approved: July 22, 2015
Approved: July 20, 2016
Approved: July 26, 2017
Approved: July 31, 2018
Approved: July 16, 2019
Approved:

Effective: December 10, 2012
Effective: August 1, 2013
Effective: August 1, 2014
Effective: August 1, 2015
Effective: August 1, 2016
Effective: August 1, 2017
Effective: August 1, 2018
Effective: August 1, 2019
Effective: August 1, 2020

**OHIO VALLEY GAS CORPORATION
OHIO VALLEY GAS, INC.**

Exhibit RPS-3 is the Pipeline Safety Adjustment reconciliation and derivation of rates, which is attached hereto. This exhibit is made up of Schedule 1 (1 page), Schedule 2 (3 pages), and Schedule 3 (1 page).

Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.
Pipeline Safety Adjustment (PSA)
Reconciliation of Recoverable Expenses and Revenue Recoveries
And Rate Derivation for All Pipeline Service Areas
January 2019 - December 2019

Cause No. 44317-PSA 7
Exhibit RPS-3
Schedule 1

Line No.			Total
1	Unrecovered Costs at December 31, 2018 Sch 1		\$437,560
2	Plus: Recoverable Expenses 2019		258,721
3	Sub-Total Unrecovered Costs 12/31/2019		<u>\$696,281</u>
4	Less: Revenue Recoveries during 2019		499,630
5	Net Costs to Recover / Credit		<u><u>196,651</u></u>
6	Cost Allocation % per IURC Cause No. 44891	Rate 1	83.3075%
7	Summary of T&D Mains Allocation Factors	Rate 2/6	8.9622%
8		Rate 4	0.4993%
9		Rate 5	4.4899%
10		Rate 8	2.7411%
11		Total	<u>100.0000%</u>
12	Allocated Costs to Recover	Rate 1	\$163,825
13		Rate 2/6	\$17,624
14		Rate 4	\$982
15		Rate 5	\$8,829
16		Rate 8	\$5,391
17		Total	<u><u>\$196,651</u></u>
18	Estimated Billing Volumes (Therms) from Schedule 3	Rate 1	28,137,062
19		Rate 2/6	5,794,493
20		Rate 4	568,079
21		Rate 5	16,648,905
22		Rate 8	1,436,833
23		Total	<u><u>52,585,372</u></u>
24	Proposed PSA Rates/Therm without IURT	Rate 1	\$0.0058
25		Rate 2	\$0.0030
26		Rate 4	\$0.0017
27		Rate 5	\$0.0005
28		Rate 6	\$0.0030
29		Rate 8	\$0.0038
30	Proposed PSA Rates/Therm with IURT (0.9852)	Rate 1	\$0.0059
31		Rate 2	\$0.0030
32		Rate 4	\$0.0017
33		Rate 5	\$0.0005
34		Rate 6	\$0.0030
35		Rate 8	\$0.0039

Ohio Valley Gas Corporation
Ohio Valley Gas, Inc.
Pipeline Safety Adjustment (PSA)
Recoverable Expenses and Revenue Recoveries
January 2019 - December 2019

Cause No. 44317-PSA 7
Exhibit RPS-3
Schedule 2
Page 1 of 3

	A	B	C
Line No.	Month	Recoverable Expenses	Revenue Recoveries
		Sch 2,Pg 2	Sch 2, Pg 3
1	Jan	404.90	89,987.04
2	Feb	571.85	96,027.56
3	Mar	28,801.78	82,861.90
4	Apr	28,478.00	47,555.13
5	May	53,475.36	24,077.64
6	Jun	31,967.67	12,463.40
7	Jul	39,843.06	9,918.58
8	Aug	1,584.71	8,608.08
9	Sep	3,875.81	8,501.04
10	Oct	1,529.88	13,734.62
11	Nov	67,740.80	42899.99
12	Dec	447.13	62,995.24
13	Total	<u>258,720.95</u>	<u>499,630.22</u>

Ohio Valley Gas Corporation and Ohio Valley Gas, Inc.
Pipeline Safety Adjustment (PSA)
Recoverable Expenses
January 2019 - December 2019

Cause No. 44317-PSA 7
Exhibit RPS-3
Schedule 2
Page 2 of 3

Line No.	Month	A	B	C	D	E	F	G	H	I	J
		PSA Projects or Activities/Functions									
		M11901	M11903	M11904	M21202	M21901	M21907	M21908	M41808	M41901	M41904
1	Jan	-	-	-	-	-	-	-	-	-	-
2	Feb	-	-	-	-	-	-	-	-	-	-
3	Mar	-	-	-	-	-	-	-	2,800.00	24,865.38	-
4	Apr	-	-	-	2,409.00	-	-	-	-	24,779.25	-
5	May	-	-	-	-	-	-	-	-	42,349.98	9,524.53
6	Jun	245.32	-	-	-	21.28	-	-	-	26,220.78	-
7	Jul	-	10,314.04	-	-	91.66	3,570.35	-	-	23,783.42	-
8	Aug	-	-	-	-	37.25	-	-	-	-	-
9	Sep	-	-	325.01	-	-	-	676.06	-	-	-
10	Oct	-	-	-	-	153.64	-	-	-	-	-
11	Nov	-	-	-	-	-	-	-	-	-	5,597.75
12	Dec	-	-	7.04	-	268.69	-	-	-	-	-
13	Total	245.32	10,314.04	332.05	2,409.00	572.52	3,570.35	676.06	2,800.00	141,998.81	15,122.28

Line No.	Month	K	L	M	N	O	P	Q	Recoverable Expenses
		PSA Projects or Activities/Functions							
		M41905	M41906	M51905	M91907	M91911	IUPPS	USDI	
1	Jan	-	-	-	-	-	404.90	-	404.90
2	Feb	-	-	-	-	-	571.85	-	571.85
3	Mar	-	-	-	-	-	1,001.40	135.00	28,801.78
4	Apr	-	-	-	-	-	1,289.75	-	28,478.00
5	May	-	-	-	-	-	1,600.85	-	53,475.36
6	Jun	-	-	-	-	-	1,006.95	4,473.34	31,967.67
7	Jul	-	641.99	-	-	-	1,441.60	-	39,843.06
8	Aug	-	322.56	-	-	-	1,224.90	-	1,584.71
9	Sep	674.98	587.56	361.13	296.12	-	954.95	-	3,875.81
10	Oct	-	284.79	-	-	-	1,091.45	-	1,529.88
11	Nov	-	-	-	-	20,250.00	117.65	41,775.40	67,740.80
12	Dec	-	-	-	-	-	171.40	-	447.13
13	Total	674.98	1,836.90	361.13	296.12	20,250.00	10,877.65	46,383.74	258,720.95

Revenue Recoveries
January 2019 - December 2019

Line No.	Month	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
		Throughput (Therms) Billed							Recoveries (\$)							
		Rate S1	Rate S2	Rate S4	Rate T5	Rate T6	Rate T8	Rate T9	Rate S1	Rate S2	Rate S4	Rate T5	Rate T6	Rate T8	Rate T9	(\$)
									\$0.0153	\$0.0085	\$0.0056	\$0.0014	\$0.0085	\$0.0103	N/A	Total
1	Jan	5,024,636	99,786	10,901	1,946,351	760,837	293,316	5,114,101	76,864.65	848.19	61.05	2,724.89	6,467.11	3,021.15		89,987.04
2	Feb	5,613,179	82,167	8,224	1,567,671	592,789	212,017	4,605,086	85,865.86	698.42	46.05	2,194.74	5,038.71	2,183.78		96,027.56
3	Mar	4,756,812	71,925	1,713	1,680,608	598,262	196,558	5,134,931	72,778.31	611.36	9.60	2,352.85	5,085.23	2,024.55		82,861.90
4	Apr	2,697,984	34,373	763	1,292,013	381,249	90,160	4,942,999	41,280.59	292.18	4.27	1,808.82	3,240.62	928.65		47,555.13
5	May	1,230,667	22,392	8,311	1,298,144	309,394	54,531	5,025,856	18,831.85	190.33	46.54	1,817.40	2,629.85	561.67		24,077.64
6	Jun	522,692	21,730	14,623	1,266,537	245,943	31,763	3,990,548	8,005.99	184.70	81.88	1,773.15	2,090.52	327.16		12,463.40
7	Jul	395,767	21,595	2,447	1,153,098	209,523	25,682	4,520,807	6,061.51	183.56	13.70	1,614.34	1,780.95	264.52		9,918.58
									Rate S11	Rate S12	Rate S14	Rate T15	Rate T16	Rate T18	Rate T19	(\$)
									\$0.0131	\$0.0065	\$0.0086	\$0.0012	\$0.0065	\$0.0085	N/A	Total
8	Aug	387,931	22,118	-	1,216,846	252,798	32,650	4,493,480	5,083.37	143.77	-	1,460.22	1,643.19	277.53		8,608.08
9	Sep	370,367	24,353	1,567	1,073,779	302,040	26,557	4,741,341	4,851.76	158.29	13.47	1,288.53	1,963.26	225.73		8,501.04
10	Oct	587,936	41,028	105,426	1,281,605	407,780	78,688	4,414,375	7,703.93	266.68	906.66	1,537.93	2,650.57	668.85		13,734.62
11	Nov	2,496,676	69,632	314,858	1,410,245	585,318	181,373	4,801,414	32,701.06	452.61	2,707.79	1,692.29	3,804.57	1,541.67		42,899.99
12	Dec	4,159,293	76,946	99,246	1,462,008	560,515	206,387	4,819,362	54,469.73	500.14	873.32	1,754.41	3,643.35	1,754.29		62,995.24
13	Total	28,243,940	588,045	568,079	16,648,905	5,206,448	1,429,682	56,604,300	414,498.61	4,530.23	4,764.33	22,019.57	40,037.93	13,779.55		499,630.22

Sales Rate Therms: 29,400,064

Trans Rate Therms: 79,889,335

Total Billed Therms: 109,289,399

2019 Unbilled Therms, Net (ANR & TGT): 215,909

Total 2019 throughput Including unbilled (OVG OP1): 109,505,308

Ohio Valley Gas Corporation
Ohio Valley Gas, Inc.
Pipeline Safety Adjustment (PSA)

Cause No. 44317-PSA 7
Exhibit RPS-3
Schedule 3

Weather Normalized Annual Billing Volumes - Therms (Based on actual 2019 billed volumes)

Line No.		A Rate S1	B Rate S2	C Rate S4	D Rate T5	E Rate T6	F Rate T8	G Rate T9	Total
1	(Sch 2)	28,243,940	588,045	568,079	16,648,905	5,206,448	1,429,682	56,604,300	109,289,399
2	NTA Therms	(106,878)					7,151		(99,727)
		28,137,062	588,045	568,079	16,648,905	5,206,448	1,436,833	56,604,300	109,189,672
Exempt Special Contract volumes (T-9)									56,604,300
Estimated volumes subject to PSA									52,585,372

* There are no adjustments between rate classes as there were no major customer shifts between rate classes

<u>NTA Therms (Rate S1)</u>	<u>Jan-19</u>	<u>Feb-19</u>	<u>Mar-19</u>	<u>Apr-19</u>	<u>May-19</u>	<u>Nov-19</u>	<u>Dec-19</u>	<u>Total</u>
Total	867,628	(106,069)	(388,569)	5,927	64,419	(549,128)	(1,086)	(106,878)

Source: Alliance System "Normal Temperature Adjustment Report" Workpapers

<u>NTA Therms (Rate T8)</u>	<u>Jan-19</u>	<u>Feb-19</u>	<u>Mar-19</u>	<u>Apr-19</u>	<u>May-19</u>	<u>Nov-19</u>	<u>Dec-19</u>	<u>Total</u>
Total	(1,787)	13,982	(25,283)	11,332	4,430	(33,048)	37,525	7,151

Source: "T-Rate 2019" Workpapers, "Schools NTA Vol" Tab

**OHIO VALLEY GAS CORPORATION
OHIO VALLEY GAS, INC.**

**Summary of Transmission and Distribution Mains Allocation Factors
IURC Cause No. 44891**

<u>Rate</u>	<u>OVG</u>
1	83.3075%
2/6	8.9622%
4	0.4993%
5	4.4899%
8	2.7411%
Total	100.0000%

All factors came from Cause No. 44891, Petitioner's Exhibit KAH-2, Schedule 1,
Weighted Sum of Allocation Factors Nos. 103 and 131.

**OHIO VALLEY GAS CORPORATION
OHIO VALLEY GAS, INC.**

Copies of the proofs of publication for the notices of the filing of the Petition in this proceeding in newspapers of general circulation in the counties in which Petitioners currently provide gas utility service will be provided as Exhibit RPS-5 when they become available.