



# RESERVE GAS COMPANY, INC.

13441 Railroad St., PO Box 207, Alden, NY 14009  
(716) 937-9484 Fax #: (716) 937-9488

*Serving the Community Since 1937*

Monday - Thursday 7:30 am - 4:30 pm  
Friday 7:30 am - 4:00 pm  
Saturday & Sunday Closed

October 7, 2016

Kathleen H. Burgess, Secretary  
NYS Dept. of Public Service  
3 Empire State Plaza, 19<sup>th</sup> Floor  
Albany, NY 12223

Case #: 97-G-1178

Dear Secretary Burgess,

Enclosed herewith is the Statement of Gas Cost Adjustment No. 451 effective **October 11, 2016** to Schedule P.S.C. No. 1 Gas.

Also enclosed are the supporting computations.

Sincerely,

*Ms. Challis A. Cox*  
*President*

Ms. Challis A. Cox  
President

Enclosures

Cc: Mr. Michael Tushaj

2016 OCT 17 AM 11:55

PUBLIC SERVICE  
EXECUTIVE  
ALBANY

# Statement No. 451

To P.S.C. No. 1 Gas  
**RESERVE GAS COMPANY INC.**

Statement of Gas Cost Adjustment  
Application to Billing Under Service  
Classifications No. 1, 2, 3 and 4 of  
P.S.C. No. 1 - Gas

Effective **October 11, 2016**

(Issued under the authority of 16 NYCRR 270.55 and 270.57)

## Average Cost of Gas

The average cost of gas (per McF) as defined  
on Leaf No. 16 as determined on **October 7, 2016**  
by dividing the total cost of purchased gas for the  
Month of **September 2016** by the total applicable  
sales for such month is .....

**\$2.3669**

## LAUF

Allowed LAUF Factor .....

**\$1.0261**

## Surcharge to Average Cost of Gas

Temporary State Assessment Charge July 1, 2016 – June 30, 2017  
.....

**\$0.0249**

## Annual Reconciliation & Revenue Sharing Amounts

Under Charge Adjustment.....

**\$0.2255**

Revenue Sharing.....

**(\$0.5850)**

## Gas Cost Adjustment

Gas Cost Adjustment (per McF) of Gas  
after adjustment of **1.0417** is .....

**\$2.1814**

Commencing on **October 11, 2016** and continuing  
thereafter until changed, the Gas Cost Adjustment  
(per McF) of Gas under Service Classifications  
Nos. 1, 2, 3 and 4 will be .....

**\$2.1814**

Date of Issue: **October 7, 2016**

Issued by:

Ms. Challis A. Cox, President  
PO Box 207, Alden, NY 14004-0207

**RESERVE GAS COMPANY  
GAS COST ADJUSTMENT**

**SEPTEMBER 2016**

<b>COMPANY/WELLS</b>	<b>PRODUCTION MCF'S</b>
<b>ALDEN AURORA GAS COMPANY, INC.</b>	
SUESS #1	30.5
STATE PARK #1	84.1
<u>SHOFF #1 (S-I)</u>	<u>0.0</u>
<b>AA SUB-TOTAL</b>	<b><u>114.6</u></b>
<b>ALDEN AURORA GAS COMPANY, INC. (NEW)</b>	
CARDONE #1	106.2
CARDONE #2	91.7
ZOLADZ #1	130.0
ZOLADZ #4	279.6
<u>ZOLADZ #5</u>	<u>170.6</u>
<b>AA (NEW) SUB-TOTAL</b>	<b><u>778.1</u></b>
<b>ALDEN AURORA GAS COMPANY, INC. (NEW 6 WELL)</b>	
LERNER #1	71.0
OLES #2	139.2
THUMAN #1	107.0
VOSS #1	92.8
<u>HOPCIA #1</u>	<u>73.9</u>
<b>AA (NEW 6 WELL) SUB-TOTAL</b>	<b><u>483.9</u></b>
<b>ALDEN AURORA GAS COMPANY, INC. (COG)</b>	
BONTRAGER #3	22.1
CARROLL #1	98.7
CASTANO #1	56.6
CORNWELL #1	64.0
PERKINS WELLS (8 TOTAL)	471.6
LABENSKI, V. #1	111.3
OLES #1	56.8
KOHLHAGEN #1 & #2	409.3
A. SHAFFER #1	34.2
A. SHAFFER #2	41.6
A. SHAFFER #3	26.8
A. SHAFFER #4	104.2
A. SHAFFER #5	75.2
A. SHAFFER #6	60.3
TRYBUSKEWICZ #2	57.3
<u>WESTMORELAND DAVIS</u>	<u>74.7</u>
<b>AA (COG) SUB-TOTAL</b>	<b><u>1,764.7</u></b>
<b>ALDEN AURORA GAS COMPANY, INC. (GASTECH)</b>	
COLOSANTI #1	57.5
KYRE #1	176.6
MILLER #1	111.3
ALI #1	171.3
<u>GUARINO #1</u>	<u>139.8</u>
<b>AA (GASTECH) SUB-TOTAL</b>	<b><u>656.5</u></b>

RESERVE GAS COMPANY  
GAS COST ADJUSTMENT

SEPTEMBER 2016

COMPANY/WELLS

PRODUCTION MCF'S

RESERVE GAS COMPANY, INC.

DAR. DEV. #1/SCHILLER #1	71.2
KUBIK #1	62.3
NOVAK #1	8.4
H. SHAFFER #2	77.4
PREDMORE #1	111.3
HANFT #1	182.0
SOBOLEWSKI #1	82.8
F. TRYBUSKIEWICZ #1	74.7
VINE #1	90.5
MUFFOLETTO #1 (NM)	0.0
METZ #1	51.9
MAY #1	62.4
SEITZ #1	67.2
LAMPKA #1	101.5
CIESZKI #1	53.6
BONTRAGER #2	49.9
MARLEY #1	0.0
HIPKISS #1	123.7
YUZWAK #1	77.8
KACZMAREK #1	45.2
H. SHAFFER #1	52.0
<u>GILBERT #1</u>	<u>46.6</u>

RG SUB-TOTAL 1,492.4

DAVID LABEN

LABENSKI/COCKRAN #2 30.8

DL SUB-TOTAL 30.8

TOTAL METERED PRODUCTION 5,321.0

**RESERVE GAS COMPANY  
GAS COST ADJUSTMENT**

**SEPTEMBER 2016**

**GAS PURCHASES AND SALES IN MCF'S**

<b>RESERVE GAS CUSTOMER SALES</b>	<b>6,120.65</b>
<b>GAS PURCHASED FROM ALDEN AURORA (MCF'S)</b>	
AA SUB-TOTAL PAGE #1	352.3
<u>&lt;AA LEASEHOLD FREE GAS&gt;</u>	<u>8.1</u>
<b>TOTAL ALDEN AURORA PURCHASES</b>	<b><u>344.2</u></b>
<b>GAS PURCHASED FROM ALDEN AURORA (NEW) (MCF'S)</b>	
AA (NEW) SUB-TOTAL PAGE #1	778.1
<u>&lt;AA (NEW) LEASEHOLD FREE GAS&gt;</u>	<u>37.1</u>
<b>TOTAL ALDEN AURORA (NEW) PURCHASES</b>	<b><u>741.0</u></b>
<b>GAS PURCHASED FROM ALDEN AURORA (NEW 6 WELL) (MCF'S)</b>	
AA (NEW 6 WELL) SUB-TOTAL PAGE #1	246.2
<u>&lt;AA (NEW 6 WELL) LEASEHOLD FREE GAS&gt;</u>	<u>1.6</u>
<b>TOTAL ALDEN AURORA (NEW 6 WELL) PURCHASES</b>	<b><u>244.6</u></b>
<b>GAS PURCHASED FROM ALDEN AURORA (COG) (MCF'S)</b>	
AA (COG) SUB-TOTAL PAGE #1	1,764.7
<AA (COG) LEASEHOLD FREE GAS>	60.7
<u>&lt;CONTRACT FREE 667 MCF'S&gt;</u>	<u>667.0</u>
<b>TOTAL ALDEN AURORA (COG) PURCHASES</b>	<b><u>1,037.0</u></b>
<b>DORITEX GAS PURCHASED FROM ALDEN AURORA (GASTECH) (MCF'S)</b>	
AA (GASTECH) SALES TO OTHERS (Doritex)	1,054.0
<AA (GASTECH) PRODUCTION>	656.5
<u>&lt;AA (GASTECH) LEASEHOLD GAS&gt;</u>	<u>8.1</u>
<b>DORITEX GAS FROM RESERVE GAS SYSTEM</b>	<b><u>405.6</u></b>
<b>OFF-SYSTEM GAS PURCHASED FROM NGO + NFR + DAVID LABEN (MCF'S)</b>	
OFF-SYSTEM NGO + COLE HOOKUP	17.5
OFF-SYSTEM DL WELLS	30.80
OFF-SYSTEM PURCHASES - NFR	<u>1,797.5</u>
<b>TOTAL GAS PURCHASED OFF-SYSTEM (MCF'S)</b>	<b><u>1,845.8</u></b>
<b>RESERVE GAS PRODUCTION</b>	
RESERVE GAS CUSTOMER SALES	6,120.65
<ALDEN AURORA PURCHASES>	-344.2
<ALDEN AURORA (NEW) PURCHASES>	-741.0
<ALDEN AURORA (NEW 6 WELL) PURCHASES>	-244.6
<ALDEN AURORA (COG) PURCHASES + FREE 667 MCF>	-1,704.0
<ALDEN AURORA (GASTECH) PURCHASES>	0.0
<DAVID LABEN PURCHASES>	-30.8
<NGO PURCHASES>	-17.5
<u>&lt;OFF-SYSTEM PURCHASES - NFR&gt;</u>	<u>-1,797.5</u>
<b>RESERVE GAS PRODUCTION TO CUSTOMERS</b>	<b><u>1,241.1</u></b>
<b><u>RESERVE GAS LEASEHOLD FREE GAS</u></b>	<b><u>104.4</u></b>
<b>TOTAL RESERVE GAS PRODUCTION</b>	<b><u>1,345.5</u></b>

**RESERVE GAS COMPANY  
GAS COST ADJUSTMENT**

**SEPTEMBER 2016**

**COMPUTATION OF GAS PURCHASE COSTS AND ADJUSTMENTS**

ALDEN AURORA PURCHASES (MCF'S)	344.2
<u>CONTRACT RATE</u>	<u>\$2.664</u>
ALDEN AURORA GAS PURCHASE COST	<u>\$916.95</u>
ALDEN AURORA (NEW) PURCHASES (MCF'S)	741.0
<u>CONTRACT RATE</u>	<u>\$3.8736</u>
ALDEN AURORA (NEW) GAS PURCHASE COST	<u>\$2,870.34</u>
ALDEN AURORA (NEW 6 WELL) PURCHASES (MCF'S)	244.6
<u>CONTRACT RATE</u>	<u>\$3.8736</u>
ALDEN AURORA (NEW 6 WELL) GAS PURCHASE COST	<u>\$947.48</u>
ALDEN AURORA (COG) PURCHASES (MCF'S)	1,037.0
<u>CONTRACT RATE</u>	<u>\$2.664</u>
ALDEN AURORA (COG) GAS PURCHASE COST	<u>\$2,762.57</u>
ALDEN AURORA (GASTECH) PURCHASES (MCF'S)	0.0
<u>CONTRACT RATE</u>	<u>\$2.664</u>
ALDEN AURORA (GASTECH) GAS PURCHASE COST	<u>\$0.00</u>
OFF-SYSTEM PURCHASES NGO + COLE	17.5
<u>CONTRACT RATE - NGO</u>	<u>\$4.304</u>
NGO OFF-SYSTEM GAS PURCHASE COST	<u>\$75.32</u>
DAVID LABEN OFF-SYSTEM PURCHASES (MCF'S)	30.80
<u>CONTRACT RATE</u>	<u>\$2.144</u>
DL GAS PURCHASE COST	<u>\$66.04</u>
OFF-SYSTEM PURCHASES - NFR (MCF'S)	1,797.5
<u>CONTRACT RATE - NFG</u>	<u>\$3.8099</u>
NFR OFF-SYSTEM GAS PURCHASE COST	<u>\$6,848.30</u>
<b>TOTAL OFF-SYSTEM GAS PURCHASE COSTS</b>	<b><u>\$6,989.66</u></b>
TOTAL GAS PURCHASE COSTS	\$14,487.00
<u>&lt;SC6 GAS COSTS&gt;</u>	<u>\$0.00</u>
NET GAS PURCHASE COSTS	<u>\$14,487.00</u>
<u>SURCHARGE OF FLEX RATE SHORTFALL</u>	<u>\$0.00</u>
ADJUSTED GAS PURCHASE COST	<u>\$14,487.00</u>
RESERVE GAS CUSTOMER SALES (MCF'S)	6,120.65
<u>&lt;SC6 GAS SALES (MCF'S)&gt;</u>	<u>0.0</u>
NET FIRM CUSTOMER SALES (MCF'S)	<u>6,120.65</u>
<u>AVERAGE COST PER MCF</u>	
ADJUSTED GAS PURCHASE COSTS	\$14,487.00
<u>NET FIRM CUSTOMER SALES</u>	<u>6,120.65</u>
AVERAGE COST PER MCF	<u>\$2.3669</u>

**RESERVE GAS COMPANY  
GAS COST ADJUSTMENT**

**SEPTEMBER 2016**

**AVERAGE COST PER MCF** **\$2.3669**

**RESERVE GAS CUSTOMER RATES**

RE-ADJUSTED AVERAGE COST PER MCF **\$2.3669**

Allowed LAUF Factor **\$1.0261**

NET COST PER MCF **\$2.4287**

TEMPORARY STATE ASSESSMENT CHARGE (JULY 2016 - JUNE 2017) **\$0.0249**

UNDER CHARGE ADJUSTMENT (JANUARY 2016 - DECEMBER 2016) **\$0.2255**

REVENUE SHARING (JANUARY 2016 - DECEMBER 2016) **(\$0.5850)**

ADJUSTED NET COST PER MCF **\$2.0941**

TAX FACTOR **1.0417**

ADJUSTED NET COST PER MCF **\$2.1814**