270-547-2455

RECEIVED

November 28, 2012

DEC 3 2012

PUBLIC SERVICE COMMISSION

Jeff Derouen Executive Director Public Service Commission PO Box 615 Frankfort, Kentucky 40602-0615

Dear Mr. Derouen:

Enclosed please find our application for revised rates in accordance with purchased gas cost adjustment requirements report. Also, I have include copies of the Annual Report & Report of Gross Operating Revenues.

We would like for the adjustment to become effective in January 1, 2013. If additional information is needed, please advise.

Your assistance is appreciated.

Yours truly,

VALLEY GAS, INC.

Kerry R Kasey

Secretary

TGT Meter 187 FAX

(270) 547-2464

Valley Rate Sheet TGT Meter 1874

Atmos Energy Marketing	4.49%	0.9551	0.04701
energy	%	1-%	Fuel Factor
		meravinerzo	PER S
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Actual or Average 3	******	Jul-12		Aug-12		Sep-12	C C	lct-12	XXXXXX	Nov-12	\$24.45 \$24.45 \$24.45	Dec-12		Jan-13		Feb-13	NAME OF	Mar-13	12020	Apr-13	SANK S	May-13		Jun-13
Yr USAGE	*****	594	100 m	600	(20 YYYY	674		1,919	MANUAL STREET	3,295	AND	7,048	(NXKEX (NXKEX	8,377	XXXXXXX XXXXXX XXXXXX	6,422	AXERE	4,166	KANNE	1,863	*****	1,079	(82822 (82822 (83822)	727
Volume to Purchase	******	594	HANNEN HANNEN HANNEN	600	CHARLES CANADA CANADA CANADA	674		1,919	XXXXX	3,295	TAXA.	7,048	*****	8,377	SERVICE SERVIC	6,422	MARKA MERKA	4,166	KHKKK	1,863	XXXXXX	1,079	INCHESE INCHESE INCHESE	727
Surent Harket Prices	\$	2.7740	\$	3.0100	\$	2.6340	\$	3.0230	\$	3.4710		3.7900		#3.8800	3	8 857/0		43.8100		3 8300	8	3 8600	S	3 8900
TGT Transport	\$	0.9013	\$	0.9013	\$	0.9013	5	0.9013	\$	0.9013	\$	0.9013	\$	0.9013	\$	0.9013	\$	0.9013	\$	0.9013	\$	0.9013	\$	0.9013
Fuel		0.13		0.14		0.12	100	0.14		0.16		0.18		0.18		0.18		0.18		0.18		0.18	Г	0.18
AEM-Invoice/Dth	\$	3.8057	\$	4.0528	\$	3.6591	\$	4.0664	\$	4.5355	\$	4.8695	\$	4.9637	\$	4.9396	\$	4.8904	\$	4.9114	\$	4.9428	\$	4.9742
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Btu - Zone 3		1.0085		1.0050		1.0135		1.0042		1.0042		1.0042		1.0042	Г	1.0042	Г	1.0042	Π	1.0042	-	1.0042		1.0042
			-		- Contractors and																		1	
Mcf Conversion	\$	3.8380	\$	4.0731	\$	3.7085	\$	4.0834	\$	4.5545	\$	4.8899	\$	4.9845	\$	4.9603	\$	4.9109	\$	4.9319	\$	4.9635	\$	4.9950
		 						***************************************													•		<u></u>	
Ccf Conversion	\$	0.0384	\$	0.0407	\$	0.0371	5	0.0408	\$	0.0455	\$	0.0489	\$	0.0498	\$	0.0496	\$	0.0491	\$	0.0493	\$	0.0496	\$	0.0499
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	\$	2,260.59	\$	2,431.68	\$	2,466.25	\$	7,803.45	\$	14,944.39	\$	34,320.03	\$ 4	1,580.93	\$	31,722.24	\$:	20,373.45	\$	9,149.85	\$	5,333.24	\$	3,616.22
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TGT Transport	\$	0.9013	\$	0.9013	\$	0.9013	\$	0.9013	\$	0.9013	\$	0.9013	\$	0.9013	\$	0.9013	\$	0.9013	\$	0.9013	\$	0.9013	\$	0.9013
Fuel	_		 _		 _				┡		 		┡		<u> </u>		Ļ		Ļ				.	
AEM-Invoice/Dth	\$	0.9013	<u> </u>	0.9013	\$	0.9013	\$	0.9013	\$	0.9013	\$	0.9013	\$	0.9013	\$	0.9013	\$	0.9013	\$	0.9013	\$	0.9013	\$	0.9013
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Btu - Zone 3		1.0085	<u> </u>	1.0050	<u> </u>	1.0135		1.0042		1.0042		1.0042	<u> </u>	1.0042	<u> </u>	1.0042		1.0042		1.0042		1.0042		1.0042
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Mcf Conversion	\$	0.9090	\$	0.9058	\$	0.9135	\$	0.9051	\$	0.9051	\$	0.9051	\$	0.9051	\$	0.9051	\$	0.9051	\$	0.9051	\$	0.9051	\$	0.9051
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Ccf Conversion	\$	0.0091	\$	0.0091	\$	0.0091	\$	0.0091	\$	0.0091	\$	0.0091	\$	0.0091	\$	0.0091	\$	0.0091	\$	0.0091	\$	0.0091	\$	0.0091
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	\$	-	\$	-	\$	-	\$		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
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SSS per Dth	\$	3.8057	\$	4.0528	\$	3.6591	\$	4.0664	\$	4.5355	\$	4.8695	\$	4.9637	\$	4.9396	\$	4.8904	\$	4.9114	\$	4.9428	\$	4.9742
		····														***************************************							-	
Overall \$\$\$ per Mcf	13	3.8380		4.0731		3.7085	3	4.0834	8	45545	S	4.8899	8	4.9845	13	4.9603	9	4.9109	5	4.9319	\mathbf{G}	4 9635	S	4.9950
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MCF Volume (1987)		589	120	598	1	665		1,911				450000												
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SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

Component	Unit	Amount
Expected Gas Cost (EGC)	\$/Mcf	\$4.9625
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	(\$1.5432)
Balance Adjustment (BA)	\$/Mcf	\$0.0000
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$3.4193
Rates to be effective for service rendered from January 1, 2013		
A. EXPECTED GAS COST CALCULATION	<u>Unit</u>	Amount
Total Expected Gas Cost (Sch II)	\$/Mcf	\$147,774.60
/Sales for the 12 months ended	\$/Mcf	29,778.00
Expected Gas Cost	\$/Mcf	\$4.9625
B. REFUND ADJUSTMENT CALCULATION	Unit	Amount
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
C. ACTUAL ADJUSTMENT CALCULATION	Unit	Amount
Actual Adjustment for the Reporting Period (Sch IV)	\$/Mcf	\$0.0023
+Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.0306
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0,0645)
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.0246
Previous Quarter AA to expire 09/30/2013		(\$1,5583)
=Actual Adjustment (AA)	\$ Mcf	(\$1.5432)
D. BALANCE ADJUSTMENT CALCULATION	Unit	Amount
Balance Adjustment for the Reporting Period (Sch V)	\$/Mcf	\$0.0000
+Previous Quarter Reported Balance Adjustment	\$/Mcf	
+Second Previous Quarter Reported Balance Adjustment	\$/Mcf	
+Third Previous Quarter Reported Balance Adjustment	\$/Mcf	
=Balance Adjustment (BA)	\$ Mcf	\$0.0000

SCHEDULE II

EXPECTED GAS COST

Actual Mcf Purchases for 12 m	onths ended	September 1, 2012			
(1)	(2)	(3) Btu	(4)	(5)	(6) (4) x (5)
Supplier	Dth	Conversion Factor	Mcf	Rate	Cost
ATMOS ENERGY			29,842	\$4.9519	\$147,774.60 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00
Totals	***************************************		29,842		\$147,774.60
Line loss for 12 months ended and sales of	9/1/2012 29,778.00	is based on purchases of Mcf.	0.21%	29,842.00	
Total Expected Cost of Purcha / Mcf Purchases (4)	ises (6)			<u>Unit</u>	Amount \$147,774.60 29,842
= Average Expected Cost Per					\$4.9519
x Allowable Mcf Purchases (m	ust not exceed	Mcf sales / .95)			29,842.00
= Total Expected Gas Cost (to	Schedule IA)				\$147,774.60

SCHEDULE III

SUPPLIER REFUND ADJUSTMENT

Description	Unit	Amount
Supplier Refunds Received during 2 Month Period Interest Factor (90 Day Commercial Paper Rate)	\$	
Refunds Including Interest	\$	\$0.00
Divided by 12 Month Projected Sales Ended	Mcf	29,778.00
Current Supplier Refund Adjustment		0

SCHEDULE IV

ACTUAL ADJUSTMENT

For the	12 month	period	ended
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September 1, 2012

<u>Particulars</u>	Unit	Jul-12	Aug-12	Sep-12
Total Supply Volumes Purchased	Mcf	594	600	674
Total Cost of Volumes Purchased	\$	\$2,248.09	\$2,419.06	\$2,452.08
/ Total Sales *	Mcf	575.0	598.0	575.0
= Unit Cost of Gas	\$/Mcf	\$3.9097	\$4.0453	\$4.2645
 EGC in Effect for Month 	\$/Mcf	\$4.0419	\$4,0419	\$4.0419
= Difference	\$/Mcf	(\$0.1322)	\$0.0034	\$0.2226
x Actual Sales during Month	Mcf	575.0	598.0	640.0
= Monthly Cost Difference	\$	(\$76.00)	\$2.00	\$142.46
Total Cost Difference		\$68.46		
/ Sales for 12 months ended		29,778.0		
= Actual Adjustment for the Reporting Per	riod (to Sch IC)	\$0.0023		

^{*} May not be less than 95% of supply volume