

Valley Gas, Inc.

401 First Street, Irvington, Kentucky 40146

270-547-2455

January 24, 2014

RECEIVED

JAN 27 2014

PUBLIC SERVICE
COMMISSION

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

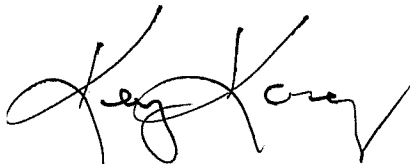
Dear Mr. Derouen:

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

We would like for the adjustment to become effective on March 1, 2014. If additional information is needed, please advise.

Your assistance is appreciated.

Sincerely

A handwritten signature in black ink, appearing to read "Kerry Kasey". The signature is stylized with a large initial "K" and a long, sweeping underline.

Kerry Kasey
Valley Gas, Inc.

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$6.0530
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	(\$0.0824)
Balance Adjustment (BA)	\$/Mcf	\$0.0000
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$5.9706

Rates to be effective for service rendered from March 1, 2014

A. EXPECTED GAS COST CALCULATION	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$218,313.94
/Sales for the 12 months ended	\$/Mcf	36,067.00
Expected Gas Cost	\$/Mcf	\$6.0530

B. REFUND ADJUSTMENT CALCULATION	<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

C. ACTUAL ADJUSTMENT CALCULATION	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Sch IV)	\$/Mcf	(\$0.0186)
+Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.0127)
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.2890)
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.2379
=Actual Adjustment (AA)	\$/Mcf	(\$0.0824)

D. BALANCE ADJUSTMENT CALCULATION	<u>Unit</u>	<u>Amount</u>
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

TGT Meter 187 270.547.2464



<i>Actual or Average 3 Yr USAGE</i>	Jan-14	Feb-14	Mar-14	Apr-14
<i>Volume to Purchase</i>	7,649	6,009	4,317	1,956
<i>Settlement/Market Price</i>	\$ 4.4070	\$ 4.7600	\$ 4.6000	\$ 4.2900
<i>TGT Transport</i>	\$ 0.9013	\$ 0.9013	\$ 0.9013	\$ 0.9013
<i>Fuel</i>	0.21	0.22	0.22	0.20
<i>AEM-Invoice/Dth</i>	\$ 5.5155	\$ 5.8851	\$ 5.7175	\$ 5.3930
<i>Btu - Zone 3</i>	1.0057	1.0057	1.0057	1.0057
<i>Mcf Conversion</i>	\$ 5.5472	\$ 5.9189	\$ 5.7504	\$ 5.4240
<i>Ccf Conversion</i>	\$ 0.0555	\$ 0.0592	\$ 0.0575	\$ 0.0542
	\$ 42,189.72	\$ 35,361.43	\$ 24,684.57	\$ 10,548.66
<i>Volume Hedged</i>	-	-	-	-
<i>WACOG for Hedges</i>	\$ -	\$ -	\$ -	\$ -
<i>TGT Transport</i>	\$ 0.9013	\$ 0.9013	\$ 0.9013	\$ 0.9013
<i>Fuel</i>	-	-	-	-
<i>AEM-Invoice/Dth</i>	\$ 0.9013	\$ 0.9013	\$ 0.9013	\$ 0.9013
<i>Btu - Zone 3</i>	1.0057	1.0057	1.0057	1.0057
<i>Mcf Conversion</i>	\$ 0.9065	\$ 0.9065	\$ 0.9065	\$ 0.9065
<i>Ccf Conversion</i>	\$ 0.0091	\$ 0.0091	\$ 0.0091	\$ 0.0091
	\$ -	\$ -	\$ -	\$ -
<i>\$\$\$ per Dth</i>	\$ 5.5155	\$ 5.8851	\$ 5.7175	\$ 5.3930
<i>Overall \$\$\$ per Mcf</i>	\$ 5.5472	\$ 5.9189	\$ 5.7504	\$ 5.4240
<i>MCF Volume</i>				