

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT) CASE NO. 2011-00306
FILING OF VALLEY GAS, INC.)

O R D E R

On July 5, 2011, in Case No. 2011-00010,¹ the Commission approved rates for Valley Gas, Inc. ("Valley") and provided for their further adjustment on a quarterly basis in accordance with Valley's Gas Cost Recovery ("GCR") clause.

On August 19, 2011, Valley filed its GCR to be effective October 1, 2011.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Valley's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Valley's proposed Expected Gas Cost ("EGC") is \$5.3873 per Mcf, which is a decrease of \$.6466 per Mcf from its previous EGC of \$6.0339.
3. Valley's notice sets out no current quarter Refund Adjustment.
4. Valley's notice sets out a current quarter Actual Adjustment ("AA") of (\$.0088) per Mcf. Valley's total AA is (\$2.1183) per Mcf, which is \$.0088 per Mcf less than its previous total AA of (\$2.1095) per Mcf.

¹ Case No. 2011-00010, Application of Valley Gas, Inc. for Alternative Rate Filing Adjustment (Ky. PSC Jul. 5, 2011).

5. Valley's GCR is \$3.2690 per Mcf, which is \$.6554 per Mcf less than the previous rate of \$3.9244.

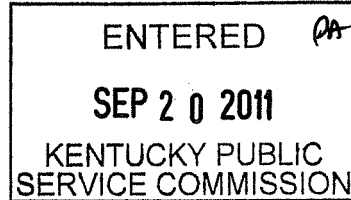
6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be effective for billing for service rendered by Valley on and after October 1, 2011.

IT IS THEREFORE ORDERED that:


1. The rates in the Appendix attached hereto and incorporated herein are approved for billing for service rendered on and after October 1, 2011.

2. Within 20 days of the date of this Order, Valley shall file its revised tariffs with this Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00306 DATED **SEP 20 2011**

The following rates and charges are prescribed for the customers served by Valley Gas, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

Customer Charge \$10.00

	<u>Base Rate</u>	<u>Gas Cost Adjustment</u>	<u>Total</u>
All Mcf	\$2.7544	\$3.2690	\$6.0234

Kerry R Kasey
Secretary
Valley Gas, Inc.
401 First Street
P. O. Box 55
Irvington, KY 40146