

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT	)	CASE NO.
FILING OF VALLEY GAS, INC.	)	2017-00232

ORDER

On November 5, 2013, in Case No. 2013-00150,<sup>1</sup> the Commission approved rates for Valley Gas, Inc. (“Valley Gas”) and provided for their further adjustment on a quarterly basis in accordance with Valley Gas’s Purchased Gas Cost Adjustment clause.

On June 5, 2017, Valley Gas filed its Gas Cost Recovery (“GCR”) rate application to be effective July 1, 2017.

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

1. Valley Gas’s notice includes a revised rate designed to pass on to its customers its expected change in gas costs.
2. Valley Gas’s notice sets out an Expected Gas Cost (“EGC”) of \$4.8350 per Mcf. Valley Gas did not use the correct Mcf sales volumes of 29,391 Mcf in the calculation of its EGC. Correcting this produces an EGC of \$4.5067 per Mcf, which is a decrease of \$.2675 per Mcf from the previous EGC of \$4.7742 per Mcf.
3. Valley Gas’s notice sets out no Refund Adjustment.

---

<sup>1</sup> Case No. 2013-00150, *Application of Valley Gas, Inc. for an Alternative Rate Adjustment* (Ky. PSC Nov. 5, 2013).

4. Valley Gas's notice sets out a current quarter Actual Cost Adjustment ("ACA") of (\$.6129) per Mcf. Valley Gas did not use the correct \$4.3271 per Mcf EGC in effect for the months of January, February, and March 2017 in the calculation of its current quarter ACA. Correcting this produces a current quarter ACA of (\$.6588) per Mcf. Valley Gas's total ACA is (\$.6302) per Mcf, which is an increase of \$.6094 per Mcf from its previous total ACA of (\$1.2396) per Mcf.

5. Valley Gas's corrected GCR rate is \$3.8765 per Mcf, which is an increase of \$.3419 per Mcf from the previous GCR rate of \$3.5346 per Mcf.

6. The rate set forth in the Appendix to this Order is fair, just, and reasonable and should be approved for service rendered by Valley Gas on and after July 5, 2017. Valley Gas did not provide the 30 days' notice required for its rate to be effective July 1, 2017.

IT IS THEREFORE ORDERED that:

1. The rate proposed by Valley Gas is denied.
2. The rate set forth in the Appendix to this Order is approved for service rendered on and after July 5, 2017.
3. Within 20 days of the date of this Order, Valley Gas shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rate approved herein and reflecting that it was approved pursuant to this Order.

By the Commission

ENTERED  
JUN 21 2017  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2017-00232 DATED **JUN 21 2017**

The following rates and charges are prescribed for the customers in the area 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 the Commission prior to the effective date of this Order.

RATES:

Customer Charge \$15.00

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
All Mcf	\$3.0061	\$3.8765	\$6.8826

\*Kerry R Kasey  
Secretary  
Valley Gas, Inc.  
401 S First Street  
P. O. 366  
Irvington, KY 40146

\*Valley Gas, Inc.  
401 S First Street  
P. O. Box 366  
Irvington, KY 40146