

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF VALLEY) CASE NO. 6902-U
GAS, INC.)

ORDER

On February 12, 1978, the Commission issued its Order in Case No. 6902 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On March 14, 1985, Valley Gas, Inc., ("Valley") notified the Commission that its wholesale cost of gas would be decreased by its supplier, Texas Gas Transmission Corporation ("Texas Gas"), effective February 1, 1985, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Valley's notice of March 14, 1985, set out certain revisions in rates which Valley proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$790 or 1.31 cents per Mcf.

(2) On February 27, 1985, Texas Gas revised rates with the Federal Energy Regulatory Commission to be effective February 1, 1985.

(3) Valley's notice proposed an effective date of March 1, 1985, for its proposed rates. The proposed rates should become effective on and after February 1, 1985, to coincide with the effective date of Texas Gas' rates.

(4) Valley should report to the Commission any excess revenues collected during the period from February 1, 1985, to the date the proposed rates are implemented, along with a plan to refund any excess collections to its customers.

(5) Valley's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 6902 dated February 12, 1978, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after February 1, 1985.

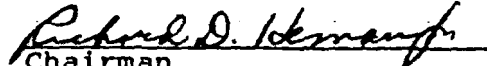
IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after February 1, 1985.

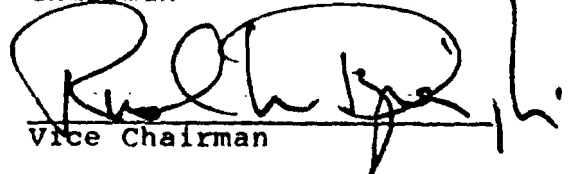
IT IS FURTHER ORDERED that within 30 days of the date of this Order, Valley shall report to the Commission any excess revenues collected during the period from February 1, 1985, to the date the proposed rates are implemented, along with a plan to refund any excess collections.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Valley shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 20th day of March, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 6902-U DATED MARCH 20, 1985.

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:

| | |
|--------------------------|----------------------------|
| All Mcf consumed over 1 | \$4.3651 per Mcf |
| Minimum charge (0-1 Mcf) | \$4.37 per meter per month |

The base rate for the future application of the purchased gas adjustment clause of Valley Gas, Inc., shall be:

| | |
|------------------------------|-------------------------------------|
| Texas Gas Transmission Corp. | <u>Commodity</u> 379.89¢ per Mcf |
|------------------------------|-------------------------------------|