

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|                             |   |                   |
|-----------------------------|---|-------------------|
| THE NOTICE OF GAS COST      | ) |                   |
| ADJUSTMENT FILING OF VALLEY | ) | CASE NO. 92-407-A |
| GAS, INC.                   | ) |                   |

O R D E R

On April 6, 1993, the Commission issued its Order in Case No. 92-407 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 May 13, 1993, Valley Gas, Inc. ("Valley") filed its quarterly gas cost adjustment ("GCA"), which is to become effective July 1, 1993 and is to remain in effect until October 1, 1993.

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

1. Valley's notice of May 13, 1993 set out certain revisions in rates which Valley proposed to place into effect, said rates being designed to pass on to its customers its wholesale decrease in gas cost from its supplier. Valley's expected gas cost ("EGC") for the calendar quarter beginning July 1, 1993 is \$2.5674 per Mcf. Valley had incorrectly calculated its EGC but had supplied sufficient supplier volume information to correct it.

2. Valley's notice contained a refund adjustment in the amount of 29.10 cents per Mcf from a previous quarter. There is no current quarter adjustment.

3. Valley's notice set out a current quarter actual adjustment in the amount of (20.72) cents per Mcf to compensate for over-recovery of gas cost by the company through the operation of its gas cost recovery procedure during the months of January, February, and March 1993. The total actual adjustment of (19.58) cents per Mcf is designed to correct the current over-collection as well as under- and over-collections from previous quarters.

4. Valley's notice set out no balance adjustment. That adjustment will be unavailable to Valley until its next filing to be effective October 1, 1993.

5. The combined effect of the above adjustments is Valley's gas cost recovery rate ("GCR") in the amount of \$2.0806 per Mcf, which is a decrease of 80.61 cents per Mcf from its last approved rates. In calculating its proposed GCR, Valley added its refund adjustment instead of subtracting it; the approved GCR reflects that correction.

6. Valley's corrected adjustment in rates, set out in the Appendix to this Order, pursuant to the GCA provisions approved by the Commission in its Order in Case No. 92-407 dated April 6, 1993 is fair, just, and reasonable, in the public interest, and should be effective with service rendered on and after July 1, 1993.

IT IS THEREFORE ORDERED that:

1. Valley's proposed adjustment in rates be and it hereby is denied.

2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with service rendered on and after July 1, 1993.

3. 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 24th day of June, 1993.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 92-407-A DATED June 24, 1993

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:

|                 | <u>Base Rate</u> | <u>Gas Cost<br/>Recovery<br/>Rate</u> | <u>Total</u> |
|-----------------|------------------|---------------------------------------|--------------|
| Customer Charge |                  |                                       | \$4.00       |
| All Mcf         | \$1.6451         | \$2.0806                              | \$3.7257     |