

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT) CASE NO. 2012-00197
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 Gas") and provided for their further adjustment on a quarterly basis in accordance with Valley Gas's Gas Cost Recovery ("GCR") clause.

On May 22, 2012, Valley Gas filed its GCR to be effective July 1, 2012.

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

1. Valley Gas's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Valley Gas's proposed Expected Gas Cost ("EGC") is \$3.5772 per Mcf, which is a decrease of \$.1588 per Mcf from its previous EGC of \$3.7360 per Mcf.
3. Valley Gas's notice sets out no current quarter refund adjustment.

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

4. Valley Gas's notice sets out a current quarter Actual Adjustment ("AA") of (\$.0643) per Mcf. Valley Gas's total AA is (\$1.6023) per Mcf, which is \$.0194 per Mcf more than its previous total AA of (\$1.6217) per Mcf.

5. Valley Gas's GCR is \$1.9749 per Mcf, which is \$.1394 per Mcf less than the previous rate of \$2.1143 per Mcf.

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 Gas on and after July 1, 2012.

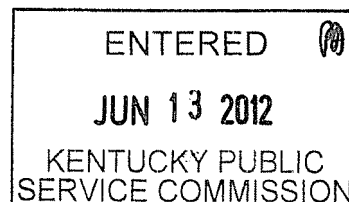
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are approved for service rendered on and after July 1, 2012.

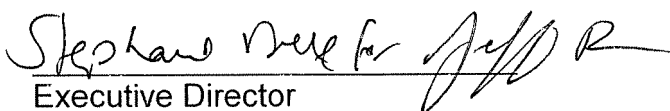
2. Within 20 days from the date of this Order, Valley Gas shall file its revised tariff sheets with this Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

Commissioner Breathitt Abstains.



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00197 DATED JUN 13 2012

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	\$1.9749	\$4.7293

Kerry R Kasey
Secretary
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