COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)CASE NO.FILING OF VALLEY GAS, INC.)2017-00126

ORDER

On November 5, 2013, in Case No. 2013-00150,¹ 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 Purchased Gas Cost Adjustment clause.

On March 10, 2017, Valley Gas filed its Gas Cost Recovery ("GCR") rate application to be effective April 1, 2017. On March 21, 2017, Valley Gas filed an amended GCR rate application.

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

 Valley Gas's amended notice includes a revised rate designed to pass on to its customers its expected change in wholesale gas costs.

 Valley Gas's amended notice sets out an Expected Gas Cost ("EGC") of \$4.7742 per Mcf, which is an increase of \$.4471 per Mcf from the previous EGC of \$4.3271 per Mcf.

Valley Gas's amended notice sets out no Refund Adjustment.

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

4. Valley Gas's amended notice sets out a current quarter Actual Cost Adjustment ("ACA") of (\$.0780) per Mcf. Valley Gas's total ACA is (\$1.2396) per Mcf, which is a decrease of \$.0892 per Mcf from its previous total ACA of (\$1.1504) per Mcf.

 Valley Gas's amended GCR rate is \$3.5346 per Mcf, which is an increase of .3579 per Mcf from the previous GCR rate of \$3.1767 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 April 10, 2017. Valley Gas did not provide the 30 days' notice required for its rate to be effective April 1, 2017.

IT IS THEREFORE ORDERED that:

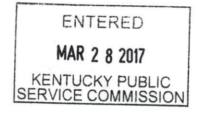
1. The rate originally proposed by Valley Gas is denied.

2. The rate set forth in the Appendix to this Order is approved for service rendered on and after April 10, 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.

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By the Commission



ATTEST:

atheus Executive Director

Case No. 2017-00126

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2017-00126 DATED MAK 2 8 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

	Gas Cost	
	Recovery	
Base Rate	Rate	<u>Total</u>
\$3.0061	\$3.5346	\$6.5407

All Mcf

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

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