

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS)	CASE NO.
ADJUSTMENT FILING OF VALLEY GAS, INC.)	2021-00344

ORDER

On September 8, 2021, Valley Gas, Inc. (Valley Gas) filed, in accordance with its Purchased Gas Cost Adjustment (PGA) Tariff, its Gas Cost Recovery (GCR) rate report to be effective October 1, 2021. Along with its GCR rate report Valley Gas filed supplemental information as requested in the final Order of Case No. 2021-00200. Valley Gas's previous GCR rate was approved in Case No. 2021-00200.¹

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

1. Valley Gas's GCR report includes a revised rate designed to pass on to its customers its expected change in gas costs.
2. Valley Gas's GCR report sets out an Expected Gas Cost (EGC) of \$3.7580 per Mcf, which is a decrease of \$0.2404 per Mcf from the previous EGC of \$3.9984 per Mcf.
3. Valley Gas's GCR report sets out no Refund Adjustment.

¹ Case No. 2021-00200, *Electronic Purchased Gas Adjustment Filing of Valley Gas, Inc.* (Ky. PSC June 23, 2021).

4. Valley Gas's GCR report sets out a current quarter Actual Cost Adjustment (ACA) of \$0.4026 per Mcf. Valley Gas's total ACA is \$2.0729 per Mcf, which is an increase of \$0.1277 per Mcf from its previous total ACA of \$1.9452 per Mcf.

5. Valley Gas's GCR rate is \$5.8309 per Mcf, which is a decrease of \$0.1127 per Mcf from the previous GCR rate of \$5.9436 per Mcf.

6. The rate set forth in the Appendix A to this Order is fair, just and reasonable and should be approved for service rendered by Valley Gas on and after October 8, 2021. Valley Gas did not provide the 30 days' notice required for its rates to be effective October 1, 2021.

7. Valley Gas's next GCR report should include all invoices received from Constellation Energy for the prior calendar quarter. Valley Gas's future GCR reports should also include the additional information previously provided as a supplemental filing on June 13, 2018, in Case No. 2018-00177² as it pertains to the calculation of the future GCR rate.

8. Should Valley Gas purchase sustainable natural gas from a renewable source during the reporting period of any future GCR reports, then the supplier, cost, and amount must be documented in its cover letter to the Commission.

9. The Commission finds that Valley Gas should file responses to the requests for information set forth in Appendix B to this Order when it files its next GCR report for rates effective for the January 2022 billing cycle.

² Case No. 2018-00177, *Purchased Gas Adjustment Filing of Valley Gas, Inc.* (Ky. PSC June 19, 2018).

a. The Commission directs Valley Gas to the Commission's July 22, 2021 Order in Case No. 2020-00085³ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

b. Each response shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or an association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. Valley Gas shall make timely amendment to any prior response if it obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any request to which Valley Gas fails or refuses to furnish all or part of the requested information, Valley Gas shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

e. Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this

³ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

f. When filing a paper containing personal information Valley Gas shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that the personal information cannot be read.

IT IS THEREFORE ORDERED that:

1. The rates set forth in the Appendix A to this Order are approved for service rendered on and after October 8, 2021.

3. Valley Gas's future GCR reports shall include the information required in finding paragraph 7.

4. Within 20 days of the date of entry 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.

5. Valley Gas shall file responses to the requests for information set forth in Appendix B to this Order when it files its next GCR report for rates effective for the January 2022 billing cycle.

6. This case is closed and removed from the Commission's docket.

By the Commission

ENTERED
OCT 04 2021 rcs
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2021-00344

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00344 DATED OCT 04 2021

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 the authority of the Commission prior to the effective date of this Order.

RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
All Mcf	\$3.0061	\$5.8309	\$8.8370

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2021-00344 DATED OCT 04 2021

1. Provide a customer billing history report for a random Valley Gas residential customer for each month in the twelve-month reporting period ended September 30, 2021. Redact any personal information from the report, such as customer name, customer address, and any additional identifiable information.
 - a. Provide the monthly usage, the rates billed, the meter reading dates, and the GCR rate billed for each month.
 - b. Provide the start and end date for each monthly billing period.
 - c. Explain if Valley Gas prorates its GCR rate.
2. Refer to the GCR rate Report, the supplemental monthly purchase and sales data, column labeled "Inventory Volume".
 - a. Explain how Valley Gas determines the amount for each month.
 - b. Explain if Valley Gas changes the monthly amounts between GCR rate reports and if so explain why.
3. Provide the invoice or storage summary reports for the twelve-month reporting period ended September 30, 2021.
4. Provide a detailed explanation on how Valley Gas utilizes volume storage on its system and how that volume storage is incorporated into its GCR Rate Report.

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