

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF VALLEY GAS, INC.)	2015-00077

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 6, 2015, Valley Gas filed its Gas Cost Recovery ("GCR") rate application to be effective April 1, 2015.

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

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

2. Valley Gas's proposed Expected Gas Cost ("EGC") is \$4.6661 per Mcf. Valley Gas did not use the \$4.5367 per Mcf average of April through June prices as quoted in the supplier notice provided with its application for its expected purchase volumes. Valley Gas's corrected EGC is \$4.6634 per Mcf, which is a decrease of \$.6938 per Mcf from the previous EGC of \$5.3572 per Mcf.

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

3. Valley Gas's notice sets out no current quarter Refund Adjustment.

4. Valley Gas's notice sets out a current quarter Actual Cost Adjustment ("ACA") of (\$.5999) per Mcf. Valley Gas did not use the \$6.2101 per Mcf EGC in effect for the months of October through December 2014 in calculating its current quarter ACA. Correcting this produces a current quarter ACA of (\$.6193) per Mcf. Valley gas did not use the correct Previous Quarter AA of (\$.0398) per Mcf in calculating its total AA. Valley Gas's corrected total ACA is (\$.6796) per Mcf, which is a decrease of \$.5903 per Mcf from its previous total ACA of (\$.0893) per Mcf.

5. Valley Gas's corrected GCR is \$3.9838 per Mcf, which is a decrease of \$1.2841 per Mcf from the previous GCR of \$5.2679 per Mcf.

6. The rate 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 1, 2015. Although Valley Gas's GCR rate filing did not provide 30 days' notice to the Commission as required by its tariff, KRS 278.180(2) authorizes the Commission to make a reduction in rates effective in less than 30 days.

IT IS THEREFORE ORDERED that:

1. The rate proposed by Valley Gas is denied.

2. The rate in the Appendix attached hereto and incorporated herein is approved for service rendered on and after April 1, 2015.

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.

By the Commission

ENTERED
MAR 19 2015
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2015-00077 DATED **MAR 19 2015**

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 the Commission prior to the effective date of this Order.

RATES:

Customer Charge \$15.00

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
All Mcf	\$3.0061	\$3.9838	\$6.9899

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