

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT	)	CASE NO.
FILING OF VALLEY GAS, INC.	)	2016-00405

ORDER

On November 5, 2013, in Case No. 2013-00150,<sup>1</sup> 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 November 28, 2016, Valley Gas filed its Gas Cost Recovery (“GCR”) rate application to be effective January 1, 2017.

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 notice proposed an Expected Gas Cost (“EGC”) of \$4.3271 per Mcf, which is an increase of \$.0063 per Mcf from the previous EGC of \$4.3208 per Mcf.
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

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

("ACA") of (\$.0339) per Mcf. Valley Gas did not use the correct \$4.3208 per Mcf EGC in effect for the months of July, August, and September 2016 in the calculation of its current quarter ACA. Correcting this produces a current quarter ACA of (\$.0233) per Mcf. Valley Gas did not use the correct \$.1229 previous quarter ACA in its total ACA calculation. Valley Gas's corrected total ACA is (\$1.1504) per Mcf, which is a decrease of \$.0063 per Mcf from its previous total ACA of (\$1.1441) per Mcf.

5. Valley Gas's corrected GCR rate is \$3.1767 per Mcf, which represents no change 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 January 1, 2017.

IT IS THEREFORE ORDERED that:

1. The rate 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 January 1, 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.

By the Commission

ENTERED  
DEC 16 2016  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2016-00405 DATED **DEC 16 2016**

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

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
All Mcf	\$3.0061	\$3.1767	\$6.1828

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