

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF VALLEY GAS,)
INC. FOR AN ADJUSTMENT OF RATES) CASE NO. 2006-00012
PURSUANT TO THE ALTERNATIVE RATE)
FILING PROCEDURE FOR SMALL UTILITIES)

O R D E R

On January 9, 2006, Valley Gas, Inc. ("Valley Gas") submitted an application to the Commission for an adjustment of rates pursuant to 807 KAR 5:076. On January 12, 2006, Valley Gas submitted for filing a pro forma income statement and a billing analysis that it had inadvertently omitted as attachments to its original application.

807 KAR 5:076 is an alternative rate filing procedure for small utilities with 500 or fewer customers or \$300,000 or less of gross annual revenues. In its filing, Valley Gas states that at the end of the test year, 2004, it had 505 customers and \$383,649 in gross annual revenues. Valley Gas seeks a deviation from the requirements 807 KAR 5:076, Section 1, to permit it to file pursuant to this alternative rate filing method.

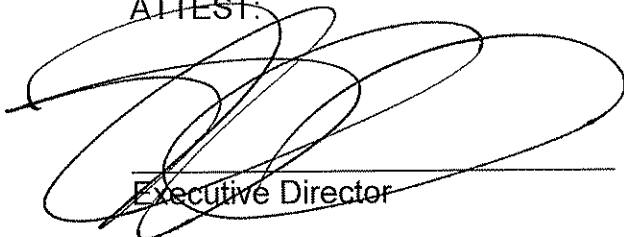
The Commission finds that, while Valley Gas did not qualify for the alternative rate filing procedure at the end of the test year, its number of customers had decreased to 492 by the time the application was filed. As such, the Commission finds that no deviation is required and that Valley Gas's application should be accepted for filing and processed in accordance with 807 KAR 5:076 as requested.

IT IS THEREFORE ORDERED that Valley Gas's application is accepted for filing as of January 12, 2006 and shall be processed in accordance with 807 KAR 5:076.

Done at Frankfort, Kentucky, this 20th day of January, 2006.

By the Commission

ATTEST:



Executive Director