

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF VALLEY) CASE NO. 6902-P
GAS, INC.)

O R D E R

On February 12, 1978, the Commission issued its Order in Case No. 6902 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On January 25, 1984, Valley Gas, Inc., ("Valley") notified the Commission that its wholesale cost of gas would be adjusted by its supplier, Texas Gas Transmission Corporation ("Texas Gas"), effective February 1, 1984, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission. On February 2, 1984, and February 6, 1984, Valley amended its purchased gas adjustment due to an error in its previous notice.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

1. Valley's notice of February 6, 1984, set out certain revisions in rates which Valley proposed to place into

effect, said rates being designed to pass on the wholesale increase in price from its supplier in the amount of \$126 or .21 cents per Mcf.

2. Texas Gas has filed an application for increased rates to become effective February 1, 1984, with the Federal Energy Regulatory Commission.

3. Valley's notice does not provide the Commission with the 20-day notice as required by statute; therefore, the proposed rates should be effective on and after February 14, 1984.

4. Valley's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 6902 dated February 12, 1978, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after February 14, 1984, subject to refund. This adjustment is subject to refund because Texas Gas' increase is subject to refund.

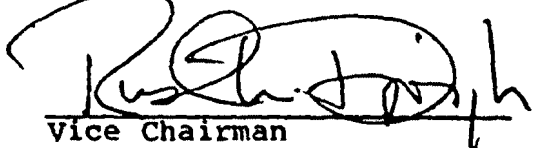
IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after February 14, 1984, subject to refund.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Valley shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 9th day of February, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 6902-P DATED 2/9/84

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 this Commission prior to the effective date of this Order.

RATES: Monthly

APPLICABLE TO:

GAS RATE SCHEDULE 1

0 - 1 Mcf
Over 1 Mcf

\$4.46
\$4.4655 per Mcf

The base rate for the future application of the purchased gas adjustment clause of Valley Gas, Inc., shall be:

Commodity

Texas Gas Transmission Corporation

389.93¢ per Mcf