

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF GAS COST ADJUSTMENT)
FILING OF VALLEY GAS, INC.) CASE NO. 92-407-E

ORDER

On April 6, 1992, in Case No. 92-407, the Commission approved certain rates for Valley Gas, Inc. ("Valley") and provided by tariff for their further adjustment on a quarterly basis in accordance with Valley's Gas Cost Adjustment ("GCA") clause.

On September 11, 2000, Valley filed its GCA to be effective from October 1, 2000 through December 31, 2000. Valley also requested a waiver of the 30-day notice requirement. After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Valley's notice proposed revised rates designed to pass on expected increased wholesale gas costs to its customers. Valley's proposed expected gas supply cost is \$6.0056 per Mcf, which is \$2.9356 per Mcf more than the previous expected gas supply cost of \$3.07.
2. Valley has no current supplier refunds to return to its customers.
3. Valley's notice set out a current quarter actual adjustment ("AA") of 40.83 cents per Mcf to collect under-recovered gas cost from May 1997 through June 2000. The proposed total AA is also 40.83 cents per Mcf and represents an increase of 25.89 cents per Mcf over the previous total AA.

4. Valley's notice set out no Balance Adjustment ("BA"). This is a decrease of 34.73 cents per Mcf from the previous BA in effect.

5. These adjustments produce a gas cost adjustment of \$6.4139 per Mcf, \$2.8472 per Mcf more than the prior gas cost adjustment of \$3.5667 per Mcf.

The rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after October 1, 2000. Valley requested a waiver of the 30-day notice requirement on the basis that it had previously submitted its GCA on August 28, 2000. The Commission has no record of having received it. However, the grounds cited by Valley constitute good cause to shorten the notice period pursuant to KRS 278.180(1).

IT IS THEREFORE ORDERED that:

1. The rate in the Appendix to this Order is fair, just, and reasonable and is effective for gas supplied on and after October 1, 2000.

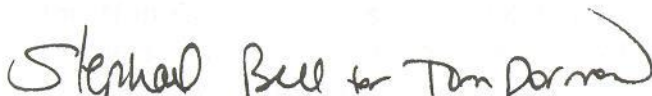
2. Within 30 days of the date of this Order, Valley shall file with this Commission its revised tariffs setting out the rates authorized in this Order.

3. Valley's request for a waiver of the 30-day notice requirement is hereby granted.

Done at Frankfort, Kentucky, this 29th day of September, 2000.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-407-E DATED SEPTEMBER 29, 2000

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:

	<u>Base Rate</u>	<u>Gas Cost Adjustment</u>	<u>Total</u>
Customer Charge			\$4.25
All Mcf	\$1.9473	\$6.4139	\$8.3612