

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF VALLEY GAS, INC.) CASE NO. 2013-00248

ORDER

On July 5, 2011, in Case No. 2011-00010,¹ 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 Gas Cost Recovery ("GCR") clause.

On June 27, 2013, Valley Gas filed its GCR to be effective July 1, 2013.

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

1. Valley Gas's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Valley Gas's proposed Expected Gas Cost ("EGC") is \$5.1543 per Mcf, which is an increase of \$.6877 per Mcf from the previous EGC of \$4.4666 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 Adjustment ("AA") of (\$.2890) per Mcf. Valley Gas's total AA is (\$1.7345) which is a decrease of \$.2247 per Mcf from the previous total AA of (\$1.5098) per Mcf.

¹ Case No. 2011-00010, Application of Valley Gas, Inc. for Alternative Rate Filing Adjustment (Ky. PSC July 5, 2011).

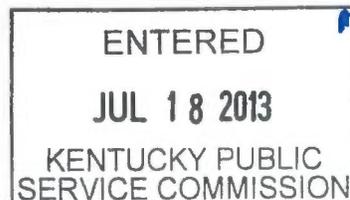
5. Valley Gas's notice sets out a GCR of \$3.4199 per Mcf. Due to a spreadsheet error, Valley Gas did not calculate the GCR correctly. Correcting this produces a GCR of \$3.4198 per Mcf, which is an increase of \$.4630 per Mcf from the previous GCR of \$2.9568 per Mcf.

6. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved for service rendered by Valley Gas on and after July 27, 2013. Valley Gas did not give the 30 days' notice required for its increase in rates to be effective July 1, 2013.

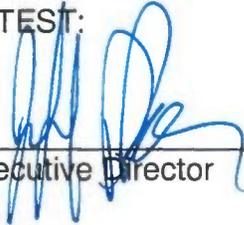
IT IS THEREFORE ORDERED that:

1. The rate proposed by Valley Gas is denied.
2. The rate in the Appendix attached hereto and incorporated herein is approved for billing for service rendered on and after July 27, 2013.
3. Within 20 days of the date of this Order, Valley shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2013-00248 DATED **JUL 18 2013**

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

\$10.00

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
All Mcf	\$2.7544	\$3.4198	\$6.1742

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