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Valley Gas, Inc.

August 16, 2010

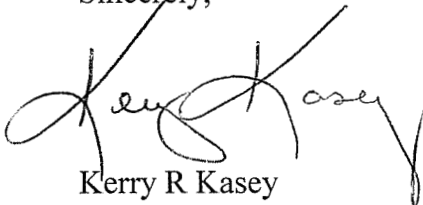
Mr. Jeff Derouen, Executive Director
Executive Director, Public Service Commission
PO Box 615 / 211 Sower Blvd.
Frankfort, KY 40602

RE: Case # 2010-00332

Dear Mr. Derouen:

My initial filing cut off the Excel spreadsheets for the months of April 2006 through June 2009. I am supplementing your filing with the remainder of the Actual Adjustment calculations.

Sincerely,



Kerry R Kasey
Secretary

RECEIVED

AUG 17 2010

PUBLIC SERVICE
COMMISSION

PUBLIC SERVICE COMMISSION

Gas Cost Adjustment Report

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$5.9461
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	(\$3.1696)
Balance Adjustment (BA)	\$/Mcf	\$0.0000
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$2.7765

Rates to be effective for service rendered from October 1, 2010

A. EXPECTED GAS COST CALCULATION	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$217,086.36
/Sales for the 12 months ended	\$/Mcf	36,509.00
Expected Gas Cost	\$/Mcf	\$5.9461

B. REFUND ADJUSTMENT CALCULATION	<u>Unit</u>	<u>Amount</u>
Supplier Refund Adjustment for Reporting Period (Sch III)	\$/Mcf	\$0.0000
+Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
=Refund Adjustment (RA)	\$ Mcf	\$0.0000

C. ACTUAL ADJUSTMENT CALCULATION	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Sch IV)	\$/Mcf	(\$3.1696)
+Previous Quarter Reported Actual Adjustment	\$/Mcf	
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	
=Actual Adjustment (AA)	\$ Mcf	(\$3.1696)

D. BALANCE ADJUSTMENT CALCULATION	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Sch V)	\$/Mcf	\$0.0000
+Previous Quarter Reported Balance Adjustment	\$/Mcf	
+Second Previous Quarter Reported Balance Adjustment	\$/Mcf	
+Third Previous Quarter Reported Balance Adjustment	\$/Mcf	
=Balance Adjustment (BA)	\$ Mcf	\$0.0000

SCHEDULE II
EXPECTED GAS COST

Actual Mcf Purchases for 12 months ended June 30, 2010

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5) Rate	(6) (4) x (5) Cost
ATMOS ENERGY			38,611	\$5.65	\$218,105.82
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
Totals			38,611		\$218,105.82

Line loss for 12 months ended 6/30/2010 is based on purchases of 38,611.00
and sales of 36,509.00 Mcf. 5.44%

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$218,105.82
/ Mcf Purchases (4)		38,611
= Average Expected Cost Per Mcf Purchased		\$5.6488
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		38,430.53
= Total Expected Gas Cost (to Schedule IA)		\$217,086.36

Particulars	Unit	Jun-10	May-10	Apr-10	Mar-10	Feb-10	Jan-10	Dec-09	Nov-09	Oct-09	Sep-09	Aug-09	Jul-09
Total Supply Volumes Purchased	Mcf	756	868	1338	4135	7822	9072	7095	3094	2073	825	768	765
Total Cost of Volumes Purchased	\$	\$3,898,411	\$4,578,488	\$6,468,841	\$24,798,677	\$48,982,647	\$61,870,998	\$40,495,656	\$16,376,856	\$9,780,633	\$3,142,917	\$3,616,688	\$3,777,477
/ Total Sales *	Mcf	718.2	889.0	1,793.0	5,384.0	7,809.0	8,618.4	6,740.3	2,939.3	1,989.4	783.8	823.0	895.0
= Unit Cost of Gas	\$/Mcf	\$5,4280	\$5,1501	\$3,6078	\$4,6060	\$6,2726	\$7,1789	\$6,0080	\$5,5717	\$4,9664	\$4,0101	\$4,3945	\$4,2206
- EGCC in Effect for Month	\$/Mcf	\$9,0829	\$9,0829	\$9,0829	\$9,0829	\$9,0829	\$9,0829	\$9,0829	\$9,0829	\$9,0829	\$9,0829	\$9,0829	\$9,0829
= Difference	\$/Mcf	(\$3,6549)	(\$3,9328)	(\$5,4751)	(\$4,4769)	(\$2,8103)	(\$1,9040)	(\$3,0749)	(\$3,5112)	(\$4,1165)	(\$5,0728)	(\$4,6884)	(\$4,8623)
x Actual Sales during Month	Mcf	713.0	889.0	1,793.0	5,384.0	7,809.0	8,602.0	5,352.0	2,223.0	1,577.0	449.0	823.0	895.0
= Monthly Cost Difference	\$	(\$2,605,92)	(\$3,496,22)	(\$9,816,80)	(\$24,103,66)	(\$21,945,73)	(\$16,377,85)	(\$16,456,68)	(\$7,805,43)	(\$6,491,68)	(\$2,277,69)	(\$3,858,55)	(\$4,351,73)

Total Cost Difference \$ (\$115,719.45)

/ Sales for 12 months ended Mcf 36,509.0

= Actual Adjustment for the Reporting Period (to Sch 1C) (\$3,169.6)

* May not be less than 95% of supply volume

Jun-09	May-09	Apr-09	Mar-09	Feb-09	Jan-09	Dec-08	Nov-08	Oct-08	Sep-08	Aug-08	Jul-08	Jun-08	May-08	Apr-08	Mar-08	Feb-08
754	1015	2447	3873	6121	8683	7116	4533	1695	739	765	757	763	1209	2352	4889	6837
\$3,407.23	\$4,361.82	\$11,293.39	\$29,431.39	\$48,417.69	\$73,811.75	\$64,647.94	\$39,203.22	\$14,573.47	\$7,053.90	\$7,952.49	\$10,942.01	\$10,091.82	\$15,205.00	\$25,444.96	\$50,225.59	\$64,993.91
1,152.0	964.3	3,263.0	3,679.4	8,204.0	8,229.9	6,760.2	4,306.4	1,610.3	702.1	748.0	719.2	807.0	1,439.0	3,139.0	4,625.6	6,495.2
\$2,987.7	\$4,523.5	\$3,461.0	\$7,999.1	\$5,901.7	\$8,968.8	\$9,563.0	\$9,103.6	\$9,050.4	\$10,047.6	\$10,631.7	\$15,215.2	\$12,505.4	\$10,566.4	\$8,106.1	\$9,082.9	\$9,082.9
\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9
(\$6,155.2)	(\$4,559.4)	(\$5,621.9)	(\$1,083.8)	(\$3,181.2)	(\$0,114.1)	\$0,480.1	\$0,020.7	(\$0,032.5)	\$0,964.7	\$1,548.8	\$6,132.3	\$3,422.5	\$1,483.5	(\$0,976.8)	\$1,775.4	\$0,923.6
1,152.0	950.0	3,263.0	3,216.0	8,204.0	6,526.0	6,689.0	3,797.0	1,406.0	677.0	748.0	639.0	807.0	1,439.0	3,139.0	4,609.0	6,276.0
(\$7,056.27)	(\$4,331.40)	(\$18,344.11)	(\$3,485.59)	(\$26,098.42)	(\$744.72)	\$3,211.53	\$78.54	(\$45.64)	\$653.08	\$1,158.48	\$3,918.54	\$2,761.92	\$2,134.71	(\$3,066.26)	\$8,182.80	\$5,796.70

Jan-08	Dec-07	Nov-07	Oct-07	Sep-07	Aug-07	Jul-07	Jun-07	May-07	Apr-07	Mar-07	Feb-07	Jan-07	Dec-06	Nov-06	Oct-06	Sep-06	Aug-06	Jul-06
8336	6003	4113	1379	790	787	798	810	1006	3058	3539	8648	7140	5784	4005	2489	880	722	740
\$73,965.41	\$54,307.20	\$37,509.19	\$10,133.71	\$5,171.23	\$5,703.57	\$7,146.70	\$8,794.96	\$26,707.99	\$31,827.11	\$72,643.25	\$55,226.74	\$55,429.48	\$34,889.79	\$16,045.30	\$7,342.18	\$6,118.84	\$5,791.02	\$5,791.02
9,230.0	5,702.9	3,907.4	1,310.1	750.5	747.7	758.1	839.0	955.7	2,990.0	4,417.0	9,810.0	6,783.0	5,565.0	3,804.8	2,364.5	836.0	685.9	703.0
\$8,013.6	\$9,522.8	\$9,599.6	\$7,735.4	\$6,890.4	\$7,628.7	\$6,244.3	\$8,518.1	\$9,202.6	\$8,932.4	\$7,205.6	\$7,405.0	\$8,141.9	\$9,982.9	\$9,170.1	\$6,785.8	\$8,732.5	\$8,920.9	\$8,237.6
\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9	\$9,082.9
(\$1,069.3)	\$0,439.9	\$0,516.7	(\$1,347.5)	(\$2,192.5)	(\$1,454.2)	(\$0,838.6)	(\$0,564.8)	\$0,119.7	(\$0,150.5)	(\$1,877.3)	(\$1,677.9)	(\$0,941.0)	\$0,877.5	\$0,087.2	(\$2,297.1)	(\$0,300.4)	(\$0,162.0)	(\$0,845.3)
9,230.0	5,004.0	2,877.0	1,119.0	743.0	653.0	509.0	839.0	870.0	2,990.0	4,417.0	9,810.0	4,886.0	5,565.0	3,427.0	2,030.0	830.0	652.0	702.0
(\$9,869.76)	\$2,201.35	\$1,486.69	(\$1,507.90)	(\$1,629.04)	(\$949.62)	(\$426.85)	(\$473.85)	\$104.17	(\$449.88)	(\$6,292.06)	(\$16,460.00)	(\$4,578.74)	\$4,883.14	\$298.70	(\$4,663.17)	(\$249.32)	(\$105.63)	(\$593.41)

	Jun-06	May-06	Apr-06
	815	1228	1661
	\$6,325,711	\$17,966,355	\$14,183,322
	864,0	1,400,0	2,585,0
	\$7,3214	\$12,8331	\$5,4868
	\$9,0829	\$14,8928	\$14,8928
	(\$1,7615)	(\$2,0497)	(\$9,3960)
	864,0	1,400,0	2,585,0
	(\$1,521,92)	(\$2,869,57)	(\$24,288,72)