

Valley Gas, Inc.

401 First Street, Irvington, Kentucky 40146

270-547-2455

March 20, 2017

RECEIVED

Aaron Greenwell
Executive Director
Public Service Commission
PO Box 615
Frankfort, Kentucky 40602-0615

MAR 21 2017

Public Service
Commission

Dear Mr. Greenwell:

Enclosed please find our application for revised rates in accordance with purchased gas cost adjustment requirements report CASE NUMBER 2017-00126.

If additional information is needed, please advise.

Your assistance is appreciated.

Sincerely

Kerry Kasey

Kerry Kasey
Valley Gas, Inc.

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u> Proposed
Expected Gas Cost (EGC)	\$/Mcf	\$4.7742
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	(\$1.2396)
Balance Adjustment (BA)	\$/Mcf	\$0.0000
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$3.5346

Rates to be effective for service rendered from april 1 2017

A. EXPECTED GAS COST CALCULATION	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$150,540.07
/Sales for the 12 months ended	\$/Mcf	31,532.00
Expected Gas Cost	\$/Mcf	\$4.7742

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	[REDACTED]
+Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	[REDACTED]
+Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	[REDACTED]
=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	(\$0.0780)
+Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.0233)
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.1299
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$1.2682)
=Actual Adjustment (AA)	\$ Mcf	(\$1.2396)

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	[REDACTED]
+Second Previous Quarter Reported Balance Adjustment	\$/Mcf	[REDACTED]
+Third Previous Quarter Reported Balance Adjustment	\$/Mcf	[REDACTED]
=Balance Adjustment (BA)	\$ Mcf	\$0.0000

SCHEDULE II
EXPECTED GAS COST

Actual Mcf Purchases for 12 months ended December 1, 2016

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5) Rate	(6) (4) x (5) Cost
Constellation Energy			31,532	\$4.7742	\$150,540.07
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00

Totals			31,532		\$150,540.07
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Line loss for 12 months ended	<u>12/31/2016</u>	is based on purchases of		<u>31,532.00</u>
and sales of	<u>31,532.00</u>	Mcf.	0.00%	

	Unit	Amount
Total Expected Cost of Purchases (6)		\$150,540.07
/ Mcf Purchases (4)		31,532
= Average Expected Cost Per Mcf Purchased		\$4.7742
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		31,532.00
= Total Expected Gas Cost (to Schedule IA)		\$150,540.07

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 12 month period ended

December 30, 2016

Particulars	Unit	Oct-16	Nov-16	Dec-16
Total Supply Volumes Purchased	Mcf	3806	3340	7069
Total Cost of Volumes Purchased	\$	\$17,323.29	\$10,396.03	\$29,036.31
/ Total Sales *	Mcf	3,615.0	3,173.0	6,715.0
= Unit Cost of Gas	\$/Mcf	\$4.7921	\$3.2764	\$4.3241
- EGC in Effect for Month	\$/Mcf	\$4.3208	\$4.3208	\$4.3208
= Difference	\$/Mcf	\$0.4713	(\$1.0444)	\$0.0033
x Actual Sales during Month	Mcf	774.0	2,721.0	5,553.0
= Monthly Cost Difference	\$	\$364.75	(\$2,841.80)	\$18.31
Total Cost Difference		(\$2,458.74)		
/ Sales for 12 months ended		31,532.0		
= Actual Adjustment for the Reporting Period (to Sch IC)		(\$0.0780)		

* May not be less than 95% of supply volume