

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF VALLEY GAS, INC.)	2020-00389

ORDER

On December 3, 2020, Valley Gas, Inc. (Valley Gas) filed, in accordance with its Purchased Gas Cost Adjustment (PGA) Tariff, its Gas Cost Recovery (GCR) rate report to be effective January 1, 2021. Valley Gas's previous GCR rate was approved in Case No. 2020-00286.¹

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

1. Valley Gas's GCR report includes a revised rate designed to pass on to its customers its expected change in gas costs.
2. Valley Gas's GCR report sets out an Expected Gas Cost (EGC) of \$2.9788 per Mcf, which is an increase of \$.0907 per Mcf from the previous EGC of \$2.8881 per Mcf.
3. Valley Gas's GCR report sets out no Refund Adjustment.
4. Valley Gas's GCR report sets out a current quarter Actual Cost Adjustment (ACA) of \$.8195 per Mcf. In calculating its total ACA, Valley Gas erroneously included an incorrect amount of \$.2751 per Mcf for the Previous Quarter ACA. The correct

¹ Case No. 2020-00286, *Electronic Purchased Gas Adjustment Filing of Valley Gas, Inc.* (Ky. PSC Sept. 30, 2020).

Previous Quarter ACA is \$.2750 per Mcf as approved in Case No. 2020-00286.² Correcting this produces a total ACA of \$.1539 per Mcf, which is an increase of \$.5261 per Mcf from its previous total ACA of (\$.3722) per Mcf.

5. Valley Gas's corrected GCR rate is \$3.1327 per Mcf, which is an increase of \$.6168 per Mcf from the previous GCR rate of \$2.5159 per Mcf.

6. The rate set forth in Appendix A to this Order is fair, just and reasonable and should be approved for service rendered by Valley Gas on and after January 2, 2021. Valley Gas did not provide at least 30 days' notice required for its rates to be effective January 1, 2021.

7. Valley Gas's next GCR report should include all invoices received from Constellation Energy for the prior calendar quarter. Valley Gas's future GCR reports should also include the additional information previously provided as a supplemental filing on June 13, 2018, in Case No. 2018-00177³ as it pertains to the calculation of the future GCR rate. The Commission finds that any future GCR rate reports should no longer be considered a complete filing unless all invoices received from Constellation Energy for the prior calendar quarter are included.

8. Should Valley Gas purchase sustainable natural gas from a renewable source during the reporting period of any future GCR reports, then the supplier, cost, and amount must be documented in its cover letter to the Commission.

² Case No. 2020-00286, *Electronic Purchased Gas Adjustment Filing of Valley Gas, Inc.* (Ky. PSC Sept. 30, 2020).

³ Case No. 2018-00177, *Purchased Gas Adjustment Filing of Valley Gas, Inc.* (Ky. PSC June 19, 2018).

9. The Commission finds that Valley Gas should file responses to the requests for information set forth in Appendix B to this Order when it files its next GCR report for rates effective for the April 2021 billing cycle.

a. Pursuant to the Commission's Orders in Case No. 2020-00085,⁴ issued March 16, 2020, and March 24, 2020, Valley Gas SHALL NOT FILE the original paper copy of all requested information at this time, but rather shall file original paper copies within 30 days of the lifting of the current state of emergency. All responses in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

b. Each response shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or an association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. Valley Gas shall make timely amendment to any prior response if it obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

⁴ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

d. For any request to which Valley Gas fails or refuses to furnish all or part of the requested information, Valley Gas shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

e. Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

f. When filing a paper containing personal information Valley Gas shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that the personal information cannot be read.

IT IS THEREFORE ORDERED that:

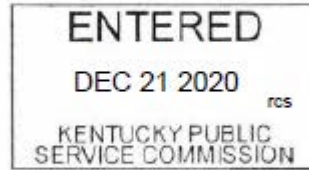
1. The rates proposed by Valley Gas are denied.
2. The rates set forth in Appendix A to this Order are approved for service rendered on and after January 2, 2021.
3. Valley Gas's future GCR reports shall include the information required in finding paragraph 7. Future GCR reports shall no longer be considered a complete filing unless all information required in finding paragraph 7 are included.
4. Within 20 days of the date of entry of this Order, Valley Gas shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rate approved herein and reflecting that it was approved pursuant to this Order.

5. Valley Gas shall file responses to the requests for information set forth in Appendix B to this Order when it files its next GCR report for rates effective for the April 2021 billing cycle.

6. This case is closed and removed from the Commission's docket.

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By the Commission



ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2020-00389 DATED DEC 21 2020

The following rates and charges are prescribed for the customers in the area served by Valley Gas, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
All Mcf	\$3.0061	\$3.1327	\$6.1388

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2020-00389 DATED DEC 21 2020

1. Provide a customer billing history report for a random Valley Gas residential customer for each month in the 12-month reporting period ended December 2020. Redact any personal information from the report, such as customer name, customer address, and any additional identifiable information. The report should be sure to include the monthly usage, the rates billed, the meter reading dates, and the GCR rate billed.

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