

Valley Gas, Inc.

401 First Street, Irvington, Kentucky 40146

270-547-2455

RECEIVED

September 18, 2015

SEP 21 2015

PUBLIC SERVICE
COMMISSION

Jeff Derouen
Executive Director
Public Service Commission
PO Box 615
Frankfort, Kentucky 40602-0615

Dear Mr. Derouen:

Enclosed please find our application for revised rates in accordance with purchased gas cost adjustment requirements report.

We would like for the adjustment to become effective on October 1, 2015. 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	\$4.7379
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	(\$1.7489)
Balance Adjustment (BA)	\$/Mcf	\$0.0000
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$2.9890

Rates to be effective for service rendered from October 1, 2015

A. EXPECTED GAS COST CALCULATION	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$175,189.09
/Sales for the 12 months ended	\$/Mcf	36,976.00
Expected Gas Cost	\$/Mcf	\$4.7379

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	\$0.0915
+Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$1.1813)
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.6193)
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.0398)
=Actual Adjustment (AA)	\$ Mcf	(\$1.7489)

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 December 31, 2014

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5) Rate	(6) (4) x (5) Cost
Constellation Energy			51517	\$4.5010	\$231,879.56
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00

Totals 51,517 \$231,879.56

Line loss for 12 months ended 06/31/2015 is based on purchases of
 and sales of 36,976.00 Mcf. 28.23% 51,517.00

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$231,879.56
/ Mcf Purchases (4)		51,517
= Average Expected Cost Per Mcf Purchased		\$4.5010
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		38,922.00
= Total Expected Gas Cost (to Schedule IA)		\$175,189.09

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 12 month period ended June 30, 2015

Particulars	Unit	<i>Apr-15</i>	<i>May-15</i>	<i>Jun-15</i>
Total Supply Volumes Purchased	Mcf	2674	2485	3684
Total Cost of Volumes Purchased	\$	\$13,582.88	\$11,788.29	\$14,411.45
/ Total Sales *	Mcf	2,540.0	2,361.0	3,500.0
= Unit Cost of Gas	\$/Mcf	\$5.3476	\$4.9929	\$4.1176
- EGC in Effect for Month	\$/Mcf	\$4.1185	\$4.1185	\$4.1185
= Difference	\$/Mcf	\$1.2291	\$0.8744	(\$0.0009)
x Actual Sales during Month	Mcf	1,930.0	1,156.0	541.0
= Monthly Cost Difference	\$	\$2,372.14	\$1,010.83	(\$0.51)
Total Cost Difference		\$3,382.47		
/ Sales for 12 months ended		36,976.0		
= Actual Adjustment for the Reporting Period (to Sch IC)		\$0.0915		

* May not be less than 95% of supply volume

sales for last 12 months

July 2013 to June 2014

Date	Sales		Usage-			Usage-		Purchase	
	Volumes	Sales Revenue	Residential	Res	Commerical	Com	Volumes	Purchase Cost	
14-Jan	8246	65851.48	52902.35	6614	12949.13	1632	9881	53523.03	
14-Feb	8500	76161.85	61101.85	6809	15060	1691	7445	49141.63	
14-Mar	5469	53524.27	43942	4394	9582.27	1075	5527	32487.45	
14-Apr	3155	48592.97	28294	2494	5903.42	661	1957	10643.64	
14-May	1109	9951.17	7415.96	826	2535.21	283	678	3713.47	
14-Jun	554	4959.71	3551.62	397	1408.09	157	606	3186.23	
14-Jul	614	13887.88	4163.84	447	1550.19	167	589	3186.23	
14-Aug	532	13479.64	3692.71	396	1263.77	136	606	2908.88	
14-Sep	579	13963.43	4090.96	439	1299.62	140	651	3224.74	
14-Oct	1210	20129.4	8848.11	967	2216.1	243	1555	7527.6	
14-Nov	4543	52456.41	33561.5	3669	7966.93	874	5302	17090.2	
14-Dec	5693	52028.56	41743.74	4563	10284.82	1130	6530	26810.44	
15-Jan	6338	63361.1	43120.72	5211	43120.72	1127	12157	21679.95	
15-Feb	8809	85176.84	60041.94	7257	12746.05	1553	11593	19017.03	
15-Mar	5031	51750.75	34586.01	4180	6983.59	851	4991	21901.12	
15-Apr	1930	\$ 21,730.87	11279.13	1614	2196.4	316	2755	\$13,582.88	
15-May	1156	15938.19	6448.63	922	1624.02	234	2561	\$11,788.29	
15-Jun	541	10133.41	2040.46	413	629.33	128	3796	\$14,411.45	
last 12 mnts	36976	414036.48	253617.75	30078	91881.54	6899	53086	163128.81	