



Western Lewis-Rectorville Water & Gas



OFFICE
8044 KY 3161
Maysville, KY 41056
(606)742-0014
(606)742-0015
1-800-230-5740
(606)742-0016 Fax

TTD/DEAF, HARD OF HEARING
SPEECH IMPAIRED PERSONS
CALL 711
TTY USERS CALL
1-800-648-6056
NON-TTY USERS CALL
1-800-648-6057

WATER
TREATMENT PLANT
8012 Kennedy Creek Rd
Maysville, KY 41056
(606)564-4449
(606)564-4414 Fax

February 18, 2014

Jeff Derouen
Executive Director
Public Service Commission
Post Office Box 615
211 Sower Boulevard
Frankfort, Ky. 40602

RECEIVED

FEB 19 2014

PUBLIC SERVICE
COMMISSION

RE: Case No.
Western Lewis- Rectorville Water and Gas District
(Rates- GCR)

Dear Mr. Derouen,

Enclosed is the original plus ten (10) copies of the Interin Gas Cost Adjustment Filing to become effective March 01, 2014.
Should additional information be needed, please advise.

Sincerely,


Pauline Bickley
Senior Office Clerk



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**PUBLIC SERVICE
COMMISSION**

RE: Case No.
Western Lewis Rectorville Water & Gas
(Interin Gas Cost Adjustment Filing)

Dear Mr Derouen:

This is an Interin Gas Cost Adjustment Filing. The proposed rates are to be effective for the month of March 2014. Under KRS 278. 180, Western Lewis Rectorville Water & Gas Dist. Request that the Public Service Commission, shorten notice period from 20 days due to our projected gas rates being set low from our gas supplier for the month's of January, February, and March 2014. As you know gas rates have increased greatly due to the weather across the state. If we are not allowed to increase these rates with our March 01, 2014 billing we stand to loose another \$43,000 on top of the \$43,756 we have already lost for the month of January. Our February 1, 2014 billing for January Usage was \$52,000. However our Gas bill is \$95,756 for January 2014. We are a small Gas District and can't afford to loose this kind of money. We are asking for an expected gas cost recovery rate of \$10.2938 for March 1, 2014. If we have to bill the same rate as our current tariff, our recovery rate for April, May, and June 2014 will be much higher in order in recover our loss. We need you to make an exception in our case if at all possible. Thank You.

If you have any questions, please call at 1-800-230-5740 or 1-606-742-0015.

Sincerely:

A handwritten signature in cursive script that reads "Pauline Bickley".
Pauline Bickley
Senior Office Clerk

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF

THE NOTICE OF

GAS COST RECOVERY

FILING OF THE WESTERN LEWIS-RECTORVILLE GAS DISTRICT

CASE NO. 2014

NOTICE OF APPLICATION

YOUR APPLICANT, WESTERN LEWIS-RECTORVILLE GAS DISTRICT (THE DISTRICT) FOR THE PURPOSE OF COMPLYING WITH RULES AND REGULATIONS OF THE COMMISSION RESPECTFULLY ASSERTS:

1. IT IS A WATER AND GAS DISTRICT DULY ORGANIZED AND EXISTING UNDER THE LAWS OF THE COMMONWEALTH OF KENTUCKY.
2. CORRESPONDENCE AND COMMUNICATION WITH RESPECT OF THIS NOTICE SHOULD BE DIRECTED TO;

PAULINE BICKLEY
SENIOR OFFICE CLERK
8044 KY 3161
MAYSVILLE, KY 41056

2. WESTERN LEWIS-RECTORVILLE GAS DISTRICT GIVES THIS NOTICE TO THE PUBLIC SERVICE COMMISSION OF KENTUCKY PURSUANT TO THE GAS COST RECOVERY CLAUSE IN THE ORDER OF THE COMMISSION, DATED NOVEMBER 30, 1993.
4. THE DISTRICT HEREBY REQUESTS PERMISSION TO ADJUST ITS RATES, DUE TO A CHANGE IN ATMOS ENERGY MARKETING LLC RATES, IN ORDER TO FURTHER COMPLY WITH THE RULES AND REGULATIONS OF THE COMMISSION. THE FOLLOWING EXHIBITS ARE ATTACHED HERETO AND MADE A PART HEREOF.

Company Name

Western Lewis - Rectorville GAS Dist.
Interim Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed:

February 18, 2014

Date Rates to be Effective:

MARCH 1, 2014

Reporting Period is Calendar Quarter Ended:

JAN. 31, 2014

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amou</u>
Expected Gas Cost (EGC)	\$/Mcf	11.1235
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	-.9223
+ Balance Adjustment (BA)	\$/Mcf	.0926
= Gas Cost Recovery Rate (GCR)		10.2938
GCR to be effective for service rendered from _____		to _____

A. <u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amou</u>
Total Expected Gas Cost (Schedule II)	\$	499,633
÷ Sales for the 12 months ended _____	Mcf	44,917
= Expected Gas Cost (EGC)	\$/Mcf	11.1235

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

C. <u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amou</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	
= Actual Adjustment (AA)	\$/Mcf	-.9223

D. <u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amou</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	
= Balance Adjustment (BA)		.0926

SCHEDULE II

EXPECTED GAS COST

Actual * MCF Purchases for 12 months ended

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (2) X (5) Cost
Atmos Energy	54,204	1034	52,884	10.31	558,843

Totals	<u>54,204</u>		<u>52,884</u>		<u>558,843</u>
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Line loss for 12 months ended 52,884 Mcf and sales of 44,917 is .10 % based on purchases of Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	558,843
÷ Mcf Purchases (4)	Mcf	52,884
= Average Expected Cost Per Mcf Purchased	\$/Mcf	10.5673
x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95)	Mcf	47,281
= Total Expected Gas Cost (to Schedule IA)	\$	499,633

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.
 **Supplier's tariff sheets or notices are attached.

Pauline,

Per our conversation, Western Lewis needs to request an immediate increase in its per dth rate from the Public Service Commission. Due to much colder weather, much higher city gate burns and much higher natural gas prices, Western Lewis is projected to be roughly \$113,000 short to projections based on the original price per dth. As we discussed, submitting pricing before the end of November based on future forecasts for gas load in some cases 2-4 months out is inherently highly risky. We try to add cushion to our price forecasts, but in a reasonable and fair manner. In this case, with the coldest temperatures in thirty years and some of the highest demand days we have seen historically combined to drive prices up across the country. We recommend you request from the PSC the following price increase to cover Western Lewis's supply costs for the January-March 2014 quarterly filing:

- The original quarterly forecast was a projected gas sales total of \$113,255
 - o Submitted on or around November 25th
- The revised quarterly forecast is for projected gas sales total of \$200,994
 - o If prices are not adjusted, Western Lewis will under collect roughly \$87,739
- To be able to recover all of the under collected dollars of \$87,739, Western Lewis needs to do the following
 - o February Gas Sales
 - Increase the per dth charge from \$4.88 to \$10.36 or by \$5.48 per dth
 - o March Gas Sales
 - Increase the per dth charge from \$4.83 to \$10.31 or by \$5.48 per dth
 - o My calculations are based on taking the \$87,739 under collection and divide by the projected burn for February and March or a total of 16,000 dths

Please call me with any questions.

Thank you.

Trevor

Trevor L. Atkins
Dir Origination (AEH)
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Atmos Energy Marketing, LLC
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