

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT )  
FILING OF WESTERN LEWIS- ) CASE NO. 92-331-L  
RECTORVILLE WATER AND GAS DISTRICT )

O R D E R

On May 12, 1993, in Case No. 92-331, the Commission approved adjustments to the rates of Western Lewis-Rectorville Water and Gas District ("Western Lewis") to recover its purchased gas cost on a quarterly basis in accordance with the provisions of its gas cost adjustment ("GCA") clause.

On March 1, 1996, Western Lewis filed its GCA to be effective from April 1, 1996 to July 1, 1996.

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

1. Western Lewis's notice proposed revised rates to pass on its expected wholesale increase in gas costs to its customers. Western Lewis's expected gas cost ("EGC") is \$4.5227 per Mcf. Western Lewis had proposed an EGC of \$4.5597 per Mcf but had failed to adjust allowable purchases for line loss in excess of 5 percent.
2. Western Lewis's notice set out no refund adjustment.
3. Western Lewis's current actual adjustment ("AA") should be (34.74) cents per Mcf to return over-recoveries of October,

November, and December 1995 gas cost to its customers. The total AA of (33.79) cents per Mcf reflects the current over-recovery, as well as previous quarters' under- and over-recovery. Western Lewis neglected to correctly include the previous quarters' AAs of (.24) cent and (1.83) cents as negative adjustments in its calculation. The Commission made a further adjustment to exclude sales volumes in excess of 105 percent of purchase volumes from the calculation of unit cost of gas.

4. Western Lewis's notice set out its balance adjustment ("BA") of .07 cent per Mcf to reconcile a previous quarter AA. The total BA is 3.84 cents per Mcf.

5. These combined adjustments produce a corrected gas cost recovery rate ("GCR") of \$4.2232 per Mcf, \$1.0528 per Mcf more than its prior rate.

6. The revised rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for service rendered on and after April 1, 1996.

IT IS THEREFORE ORDERED that:

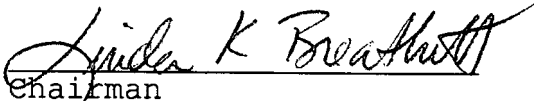
1. Western Lewis's proposed rates be and they hereby are denied.

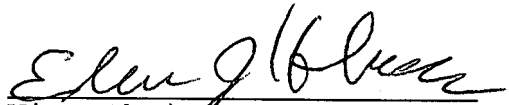
2. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for service rendered on and after April 1, 1996.

3. Within 30 days of the date of this Order, Western Lewis shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 22nd day of March, 1996.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 92-331-L DATED MARCH 22, 1996

The following rates and charges are prescribed for the customers served by Western Lewis-Rectorville Water and Gas District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RETAIL RATES:

Customer Charge			\$1.00 per month
<u>Monthly Usage</u>			
	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1,000 cu. ft. or less (Minimum Bill)	\$3.9883	\$4.2232	\$8.2115
Next 4,000 cu. ft. per 1,000 cu. ft.	1.4565	4.2232	5.6797
Next 5,000 cu. ft. per 1,000 cu. ft.	1.3970	4.2232	5.6202
Over 10,000 cu. ft. per 1,000 cu. ft.	1.2228	4.2232	5.4460