

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-R
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 September 2, 1997, Western Lewis filed its GCA to be effective from October 1, 1997 to January 1, 1998.

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 proposed expected gas cost ("EGC") is \$3.7927 per Mcf.
2. Western Lewis's notice set out no refund adjustment.
3. Western Lewis's proposed current actual adjustment ("AA") is 6.87 cents per Mcf. Correcting Western Lewis's filing for a mathematical error in its calculation of net over-recoveries of April, May and June 1997 gas cost from its customers results in a

current AA of (.79) cent per Mcf. The total AA of (17.54) cents per Mcf reflects the current net over-recovery, as well as previous quarters' under- and over-recoveries, and correctly sets out the previous quarter AA as a negative amount and the second previous quarter AA as a positive amount.

4. Western Lewis's notice set out a current balance adjustment ("BA") of 2.72 cents per Mcf to reconcile a previous quarter AA. The previous quarter BA should be 1.84 cent per Mcf instead of (1.84) cents per Mcf, and the third previous quarter BA should be (.67) cent per Mcf instead of .67 cent per Mcf. The total BA is 4.24 cents per Mcf.

5. These combined adjustments produce a corrected gas cost recovery rate ("GCR") of \$3.6597 per Mcf, 82.55 cents per Mcf more than its prior rate.

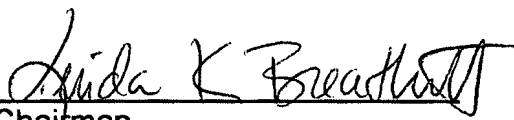
6. The revised rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for service rendered on and after October 2, 1997. Western Lewis did not give the 30 days notice necessary for its rates to be effective October 1, 1997.

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 October 2, 1997.
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 2nd day of October, 1997.

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-R DATED OCTOBER 2, 1997

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	\$3.6597	\$7.6480
Next 4,000 cu. ft. per 1,000 cu. ft.	1.4565	3.6597	5.1162
Next 5,000 cu. ft. per 1,000 cu. ft.	1.3970	3.6597	5.0567
Over 10,000 cu. ft. per 1,000 cu. ft.	1.2228	3.6597	4.8825