

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

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 February 28, 2000, Western Lewis filed its GCA to be effective from April 1, 2000 to June 30, 2000.

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

1. In its notice, Western Lewis proposed revised rates to pass on its expected increase in gas costs to its customers. Western Lewis's proposed expected gas cost ("EGC") is \$3.9174 per Mcf. Western Lewis calculated the total expected cost of purchases on Schedule II using its supplier bill for January rather than using a more current supplier estimate for the quarter beginning April 1, 2000. Using a current gas cost estimate based on NYMEX prices produces an EGC of \$4.2393 per Mcf, an increase of 60.77 cents per Mcf from the prior EGC of \$3.6316.

2. Western Lewis's notice set out no refund adjustment.

3. Western Lewis's proposed current actual adjustment ("AA") is 9.91 cents per Mcf. Western Lewis incorrectly calculated its AA as a positive figure rather than a negative figure. Correcting for this error produces an AA of (9.91) cents per Mcf. Western Lewis also incorrectly calculated its total AA, using the wrong sign in the quarterly AA figures carried over from the second and third previous quarters. The correct total AA of (47.44) cents per Mcf reflects the current net over-recovery, as well as previous quarters' under- and over-recoveries. The total AA represents a 19.20 cent per Mcf decrease from the previous quarter total AA.

4. Western Lewis' notice set out a current balance adjustment ("BA") of (.34) cents per Mcf to reconcile a previous quarter AA. Western Lewis used an incorrect dollar amount for the prior AA in calculating its current BA. Correcting for this error produces a current quarter BA of (.10) cent per Mcf. Western Lewis' notice set out a total BA of 2.52 cents per Mcf. Adjusting for the correct current quarter BA produces a total BA of 2.76 cents per Mcf, which reflects the current under-recovery as well as previous quarters' under- and over-recoveries. The total BA represents a decrease of 1.41 cents per Mcf from the previous total BA.

5. These combined adjustments produce a corrected gas cost recovery rate ("GCR") of \$3.7925 per Mcf, 40.16 cents per Mcf more than the prior rate of \$3.3909.

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, 2000.

IT IS THEREFORE ORDERED that:

1. Western Lewis's proposed rates 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, 2000.
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 29<sup>th</sup> day of March, 2000.

By the Commission

ATTEST:

  
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Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 92-331-BB DATED MARCH 29, 2000

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>		Gas Cost Recovery Rate	<u>Total</u>
	<u>Base Rate</u>		
First 1,000 cubic feet or less (Minimum Bill)	\$3.9883	\$3.7925	\$7.7808
Next 4,000 cubic feet per 1,000 cubic feet	1.4565	3.7925	5.2490
Next 5,000 cubic feet per 1,000 cubic feet	1.3970	3.7925	5.1895
Over 10,000 cubic feet per	1.2228	3.7925	5.0153