

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

On May 12, 1993, in Case No. 92-331, the Commission approved rates for Western Lewis-Rectorville Water and Gas District ("Western Lewis") and provided for their further adjustment in accordance with Western Lewis's gas cost adjustment ("GCA") clause.

On July 10, 2001, Western Lewis filed its GCA to be effective August 1, 2001. Western Lewis has modified its GCA clause to allow it to file a GCA monthly until further notice. As this filing results in a rate decrease, the 30-day and 20-day notice requirements set out in KRS 278.180(1) are not controlling since KRS 278.180(2) permits a rate decrease to be implemented within a lesser period of time.

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

1. Western Lewis's notice includes revised rates designed to pass on to its customers its expected decrease in wholesale gas costs. Western Lewis's proposed expected gas cost ("EGC") is \$4.5849 per Mcf. Western Lewis incorrectly calculated its total EGC, which should have been \$271,528. Correcting for this error produces an EGC of \$4.7843 per Mcf, which is a decrease of 65.71 cents per Mcf from the prior EGC of \$5.4414.

2. Western Lewis's notice sets out no refund adjustment.
3. Western Lewis's notice sets out no current actual adjustment ("AA"), although it should have made the adjustment this quarter. Absent the new calculation, the Commission will continue the existing AA of \$1.2037.
4. Western Lewis's notice sets out no current balance adjustment ("BA"), although it should have made the adjustment this quarter. Absent the new calculation, the Commission will continue the existing BA of 1.02 cent per Mcf.
5. These combined adjustments produce a gas cost recovery rate ("GCR") of \$5.9982 per Mcf, which is 65.71 cents per Mcf less than the prior rate of \$6.6553.
6. The rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for bills rendered by Western Lewis on and after August 1, 2001.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for bills rendered on and after August 1, 2001.
2. Within 20 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 1st day of August, 2001.

By the Commission

ATTEST:


Executive Director

