

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT)
FILING OF WESTERN LEWIS-) CASE NO. 2003-00048
RECTORVILLE WATER AND GAS DISTRICT)

ORDER

On May 12, 1993, in Case No. 1992-00331, 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 February 7, 2003, Western Lewis filed its proposed GCA to be effective March 1, 2003. Western Lewis requests a waiver of the 30-day notice period because it did not receive its expected gas rates from its supplier until after February 1, 2003. As KRS 278.180(1) permits the Commission to shorten the required notice period for good cause, the Commission finds the request should be granted.

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 change in wholesale gas costs.
2. Western Lewis s proposed expected gas cost (EGC) is \$7.0601 per Mcf, which is \$1.2986 per Mcf more than the prior EGC of \$5.7615.
3. Western Lewis s notice sets out no refund adjustment.
4. Western Lewis s notice sets out a current quarter actual adjustment (AA) of 14.81 cents per Mcf. Western Lewis incorrectly calculated its recoverable sales volumes in its AA. Correcting this error results in a current quarter AA of (21.07) cents

per Mcf. Western Lewis's total AA is (63.2) cents per Mcf, which represents an increase of 3.26 cents per Mcf from the previous total AA.

5. Western Lewis's notice sets out a current quarter balance adjustment (BA) of (.48) cent per Mcf. Western Lewis's notice sets out a total BA of (6.86) cents per Mcf. Western Lewis included an expired prior quarter BA in its calculation. Correcting for this results in a total BA of (5.95), which represents an increase of .43 cent per Mcf from the previous total BA.

6. These combined adjustments produce a gas cost recovery rate (GCR) of \$6.3686 per Mcf, which is \$1.3355 per Mcf more than the previous rate of \$5.0331.

7. 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 March 1, 2003.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Western Lewis are denied.
2. The rates in the Appendix to this Order are approved for bills rendered on and after March 1, 2003.
3. 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 24th day of February, 2003.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2003-00048 DATED FEBRUARY 24, 2003

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 cubic feet or less (Minimum Bill)	\$3.9883	\$6.3686	\$10.3569
Next 4,000 cubic feet per 1,000 cubic feet	1.4565	6.3686	7.8251
Next 5,000 cubic feet per 1,000 cubic feet	1.3970	6.3686	7.7656
Over 10,000 cubic feet per	1.2228	6.3686	7.5914