

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. 2005-00189

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.¹

On May 9, 2005, Western Lewis filed its proposed GCA to be effective June 1, 2005. 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 May 1, 2005. As KRS 278.180 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.

¹ Case No. 1992-00331, The Application of Western Lewis-Rectorville Water and Gas District for an Adjustment of Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities, Order dated May 12, 2003.

2. Western Lewis's notice sets out an expected gas cost ("EGC") of \$8.4589 per Mcf. Western Lewis incorrectly adjusted its allowable Mcf purchases, producing an incorrect EGC. Correcting for this error produces an EGC of \$9.3726 per Mcf, which is \$1.6642 per Mcf more than the prior EGC of \$7.7084.

3. Western Lewis's notice sets out no refund adjustment.

4. Western Lewis's notice sets out no current quarter actual adjustment ("AA"). Western Lewis's total AA is (59.38) cents per Mcf, which is no change from the previous total AA.

5. Western Lewis's notice sets out no current quarter balance adjustment ("BA"). Western Lewis's notice sets out a total BA of (2.58) cents per Mcf, which is no change from the previous total BA.

6. Western Lewis's gas cost recovery rate ("GCR") is \$8.7530 per Mcf, which is \$1.6642 per Mcf more than the previous rate of \$7.0888.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Western Lewis on and after June 1, 2005.

IT IS THEREFORE ORDERED that:

1. Western Lewis's request to shorten the period in which it must provide notice of the proposed adjustment from 30 days to 20 days is granted.

2. Western Lewis's proposed rates are denied.

3. The rates in the Appendix to this Order are approved for billing for service rendered on and after June 1, 2005.

4. 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 23rd day of May, 2005.

By the Commission

ATTEST:



Executive Director

