

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. 2006-00105

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 March 8, 2006, Western Lewis filed its proposed GCA to be effective April 1, 2006. 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 April 1, 2006. 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.
2. Western Lewis’s notice sets out an expected gas cost (“EGC”) of \$8.5854 per Mcf, which is a decrease of \$1.9814 per Mcf from its prior EGC of \$10.5668.

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

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

4. Western Lewis's notice sets out a current quarter actual adjustment ("AA") of (90.51) cents per Mcf. Western Lewis's total AA is (\$2.5163) per Mcf, which is a decrease of 81.11 cents per Mcf from its previous total AA.

5. Western Lewis's notice sets out a current quarter balance adjustment ("BA") of (.01) cent per Mcf. The factor should be a positive value rather than a negative value. Correcting for this produces a total BA of 2.03 cents per Mcf, which is a decrease of .36 cent per Mcf from its previous total BA.

6. Western Lewis's gas cost recovery rate ("GCR") is \$6.0894 per Mcf, which is a decrease of \$2.7961 per Mcf from its previous rate of \$8.8855.

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 April 1, 2006.

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 April 1, 2006.

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 22nd day of March, 2006.

By the Commission

ATTEST:



Executive Director

Case No. 2006-00105

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00105 DATED March 22, 2006

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	\$6.0894	\$10.0777
Next 4,000 cubic feet per 1,000 cubic feet	1.4565	6.0894	7.5459
Next 5,000 cubic feet per 1,000 cubic feet	1.3970	6.0894	7.4864
Over 10,000 cubic feet per 1,000 cubic feet	1.2228	6.0894	7.3122

SUMMARY OF PURCHASED GAS ADJUSTMENT FILING
for Western Lewis-Rectorville Water and Gas District

Case No.: 2006-00105
Filing Date: March 8, 2006
Proposed Effective Date: April 1, 2006
Approved Effective Date: April 1, 2006

Wholesale Gas Supplier: Atmos Energy Marketing

Wholesale cost: Decreased \$1.9814 per Mcf
Retail Rate: Decreased \$2.7961 per Mcf

Gas Cost Adjustment Components:

Expected Gas Cost	\$ 8.5854
Refund Adjustment	-----
Actual Adjustment	\$ (2.5163)
<u>Balancing Adjustment</u>	<u>.0203</u>
Gas Cost Adjustment	\$ 6.0894

Prepared by: Dawn McGee

Date: March 15, 2006