

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. 2008-00130

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 April 9, 2008, Western Lewis filed its proposed Gas Cost Recovery Rate (“GCR”) to be effective May 1, 2008. In that filing, Western Lewis requested an “Interim Gas Cost Adjustment Filing” and to “shorten” the notice period under the provisions of KRS 278.180. The reason given for the shortened notice period is that Western Lewis’s gas supplier was not supplying the gas rates necessary to calculate the GCR until after the 30-day notice period, as contained in its tariff, had expired.² Apparently, Western Lewis’s supplier does not release its charges until the 5th or 6th day of the

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.

² Western Lewis’s tariff states that it shall file a Gas Cost Recovery Rate (GCR) with the Commission at least 30 days prior to the first day of each calendar quarter.

month. Due to the supplier's schedule, Western Lewis also requests that the new rate be effective May 1, rather than July 1 as mandated in its tariff.

As a reasonable solution to this particular issue of missing the filing requirement of a GCA clause, the utility may file a tariff sheet allowing it to file the application without giving 30 days' notice to the Commission. The requested notice period should reflect the need of Western Lewis to prepare and file its GCR but also give the Commission sufficient notice. This would enable Western Lewis to comply with the billing cycle contained in its GCA clause.³ Western Lewis's GCA clause prescribes the "calendar quarter" in question as beginning in April and ending in June. Western Lewis has been filing its GCA at times other than that specified in its tariff. To correct this, Western Lewis should file its next GCR no later than June 1.

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 gas costs.
2. Western Lewis's notice sets out an Expected Gas Cost ("EGC") of \$11.9615 per Mcf, which is an increase of \$2.2630 per Mcf from its previous EGC of \$9.6985.
3. Western Lewis's notice sets out no Refund Adjustment.

³ Western Lewis's GCA clause states: The "Calendar Quarters" are: January, February and March; April, May and June; July, August and September, and October, November and December.

4. Western Lewis's notice sets no current quarter Actual Adjustment ("AA"). Western Lewis's total AA is (\$1.9701) 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 total BA is (\$.1214) per Mcf, which is no change from the previous total BA.

6. Western Lewis's GCR is \$9.87 per Mcf, which is \$2.2630 per Mcf more than the previous rate of \$7.607.

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 May 1, 2008.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for service rendered on and after May 1, 2008.

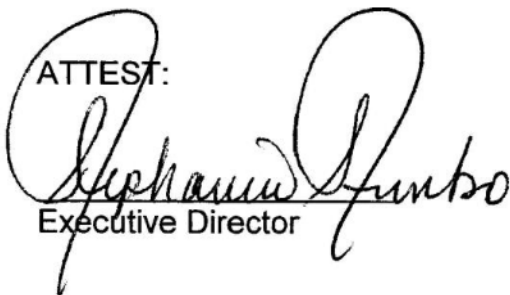
2. Within 20 days of the date of this Order, Western Lewis shall file with this Commission its revised tariffs setting out the rates authorized herein and any change in its notice period.

3. Western Lewis-Rectorville shall file its next GCA no later than June 1 and thereafter shall adhere to the effective dates as contained in its tariff.

Done at Frankfort, Kentucky, this 23rd day of April, 2008.

By the Commission

ATTEST:



Stephanie Gunbo
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00130 DATED APRIL 23, 2008

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 the 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	Total
	<u>Base Rate</u>		
First 1,000 cubic feet or less (Minimum Bill)	\$3.9883	\$9.8700	\$13.8583
Next 4,000 cubic feet per 1,000 cubic feet	1.4565	9.8700	11.3265
Next 5,000 cubic feet per 1,000 cubic feet	1.3970	9.8700	11.2670
Over 10,000 cubic feet per 1,000 cubic feet	1.2228	9.8700	11.0928