

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF) CASE NO.
WESTERN LEWIS-RECTORVILLE WATER & GAS) 2014-00049

ORDER

On May 12, 1993, in Case No. 1992-00331, the Commission approved rates for gas service 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 February 19, 2014, Western Lewis filed a revised Gas Cost Recovery (“GCR”) rate that it proposed to be effective March 1, 2014. Western Lewis proposed the interim revision due to greatly increased gas cost over and above what is reflected in its current GCA rates.² Western Lewis requested an increased Expected Gas Cost rate for the month of March in order to minimize the amount of its gas cost under-recovery for the quarter beginning January 1, 2014. Western Lewis provided with its application a copy of a communication it received from its supplier indicating that, due to much higher gas prices than projected, at current rates Western Lewis’s recovery of gas cost is projected to be approximately \$87,739 less than its actual gas cost for the three-month period beginning January 1, 2014.

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 (Ky. PSC May 12, 1993).

² Western Lewis’s current GCA rates were approved in Case No. 2013-00415 to be effective for the three months beginning January 1, 2014, based on its gas supplier’s estimate of gas cost provided in November 2013.

On February 20, 2014, representatives of Western Lewis participated in a conference call with Commission Staff ("Staff") to discuss the requested interim increase. Staff informed Western Lewis that for good cause the Commission could shorten the 30-day notice period required by Western Lewis's GCA tariff to 20 days, but not less than 20 days.

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 \$11.1235 per Mcf based on information provided by its supplier. This represents an increase of \$6.0276 per Mcf from its previous EGC of \$5.0959 per Mcf.

3. Western Lewis's notice sets out no Refund Adjustment.

4. Western Lewis's notice sets out its current quarter AA of (\$.0364) per Mcf. Western Lewis's total AA is (\$.9223) per Mcf, which is no change from the previous total AA.

5. Western Lewis's notice sets out its current quarter Balance Adjustment ("BA") of \$.0217 per Mcf. Western Lewis's total BA is \$.0926 per Mcf, which no change from the previous total BA.

6. Western Lewis's GCR is \$10.2938, which is an increase of \$6.0276 per Mcf from the previous rate of \$4.2662 per Mcf.

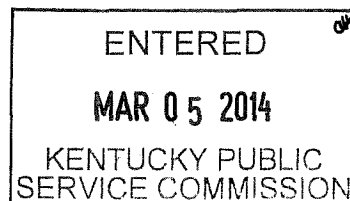
7. The rate in the Appendix to this Order is fair, just, and reasonable, and should be approved for service rendered by Western Lewis on and after March 11,

2014. Western Lewis did not give sufficient notice of its GCR rate increase for it to be effective March 1, 2014. Due to the extraordinary and unpredictable nature of the increase, however, the Commission, for good cause shown, will shorten the 30-day notice period to 20 days as permitted under KRS 278.180(1).

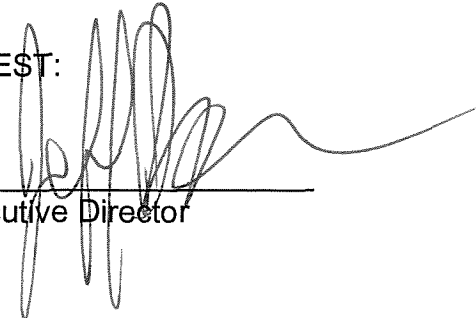
IT IS THEREFORE ORDERED that:

1. The rate in the Appendix to this Order is approved for bills rendered on and after March 11, 2014.
2. Within 20 days of the date of this Order, Western Lewis shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission



ATTEST:



Executive Director

Pauline Bickley
Senior Office Clerk
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