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September 23, 2005

CERTIFICATE OF SERVICE

RE: Case No. 2005-00367  
Western Lewis-Rectorville Water and Gas District

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on September 23, 2005.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/jc  
Enclosure

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. 2005-00367

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.<sup>1</sup>

On September 12, 2005, Western Lewis filed its proposed GCA to be effective October 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 September 1, 2004. 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 \$13.3595 per Mcf, which is \$2.6666 per Mcf more than the prior EGC of \$10.6929.

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<sup>1</sup> 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 (38.43) cents per Mcf. Western Lewis incorrectly used its GCA rather than its EGC for the AA calculation. Correcting for this produces a current quarter actual adjustment of (49.85) cents per Mcf. Western Lewis's total AA is (\$1.8192) per Mcf, which is a decrease of 31.26 cents per Mcf from the previous total AA.

5. Western Lewis's notice sets out a current quarter balance adjustment ("BA") of (1.44) cent per Mcf. Western Lewis's notice sets out a total BA of (2.25) cents per Mcf, which is a decrease of 5.01 cents per Mcf from the previous total BA.

6. Western Lewis's gas cost recovery rate ("GCR") is \$11.5178 per Mcf, which is \$2.3039 per Mcf more than the previous rate of \$9.2139.

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 October 2, 2005. Western Lewis did not provide sufficient notice for rates to be effective October 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 October 2, 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 September, 2005.

By the Commission

ATTEST



Executive Director

