

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING)
OF WESTERN LEWIS-RECTORVILLE) CASE NO. 2014-00181
WATER AND GAS)

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 June 2, 2014, Western Lewis filed its proposed Gas Cost Recovery ("GCR") rate to be effective July 1, 2014.

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 \$8.1301 per Mcf, which represents a decrease of \$2.7616 per Mcf from its previous EGC of \$10.8917 per Mcf.
3. Western Lewis's notice sets out no Refund Adjustment.

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).

4. Western Lewis's notice sets out a current quarter Actual Adjustment ("AA") of (\$.5319) per Mcf. Western Lewis did not use the correct \$5.0959 per Mcf EGC in effect for the months of January and February 2014. Due to the extreme fluctuation in sales and purchase volumes for the months of January, February, and March, which make up the quarter for which the AA is calculated, it is more reasonable to calculate Western Lewis's current quarter AA using an average unit cost of gas for the entire quarter, instead of using the typical methodology of calculating individual cost differences for each month. Calculating the current quarter AA in this manner is not precluded by any provision of Western Lewis's GCA clause and will address the mismatch between monthly sales and purchase volumes that would otherwise cause a substantial adjustment for line loss. The revised current quarter AA is (\$.2345) per Mcf. Western Lewis's total AA is (\$.8597) per Mcf, which is an increase of \$.2993 per Mcf from the previous total AA of (\$1.1590) per Mcf.

5. Western Lewis's notice sets out its current quarter Balance Adjustment ("BA") of (\$.0132) per Mcf. Western Lewis's total BA is \$.1063 per Mcf, which is an increase of \$.0066 per Mcf from the previous total BA of \$.0997 per Mcf.

6. Western Lewis's corrected GCR is \$7.3767 per Mcf, which is a decrease of \$2.4557 per Mcf from the previous rate of \$9.8324 per Mcf.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for service rendered by Western Lewis on and after July 1, 2014.

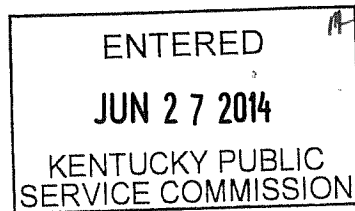
IT IS THEREFORE ORDERED that:

1. The rates proposed by Western Lewis are denied.

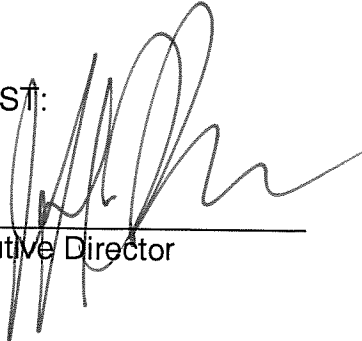
2. The rates in the Appendix to this Order are approved for service rendered on and after July 1, 2014.

3. 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

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2014-00181 DATED **JUN 27 2014**

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

Monthly usage

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1,000 cubic feet or less (Minimum Bill)	\$3.9883	\$ 7.3767	\$11.365
Next 4,000 cubic feet per 1,000 cubic feet	1.4565	7.3767	8.8332
Next 5,000 cubic feet per 1,000 cubic feet	1.3970	7.3767	8.7737
Over 10,000 cubic feet per 1,000 cubic feet	1.2228	7.3767	8.5995