

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING	)	
OF WESTERN LEWIS-RECTORVILLE	)	CASE NO.
WATER AND GAS	)	2016-00085

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 clause.<sup>1</sup>

On February 22, 2016, Western Lewis filed its proposed Gas Cost Recovery (“GCR”) rate to be effective April 1, 2016.

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 \$9.7674 per Mcf, which is an increase of \$.0001 per Mcf from its previous EGC of \$9.7673 per Mcf.
3. Western Lewis’s notice sets out no Refund Adjustment.

---

<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* (Ky. PSC May 12, 1993).

4. Western Lewis's notice sets out a current quarter Actual Adjustment ("AA") of (\$1.0249) per Mcf. Western Lewis's total AA is (\$4.5250) per Mcf, which is a decrease of \$.4522 per Mcf from the previous total AA of (\$4.0728) per Mcf.

5. Western Lewis's notice sets out a current quarter Balance Adjustment ("BA") of \$.1084 per Mcf. Due to a calculation error, Western Lewis's current quarter BA was shown as positive, rather than negative. Western Lewis's corrected current quarter BA is (\$1.084) per Mcf. Western Lewis's total BA is (\$1.982) per Mcf, which is a decrease of \$.1866 per Mcf from the previous total BA of (\$.0116) per Mcf.

6. Western Lewis's corrected GCR rate is \$5.0442 per Mcf, which is a decrease of \$.6387 per Mcf from the previous GCR rate of \$5.6829 per Mcf.

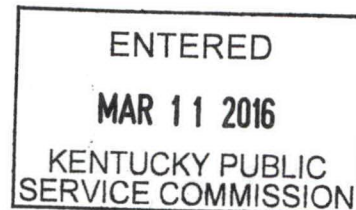
7. The rates set forth in the Appendix to this Order are fair, just, and reasonable and should be approved for service rendered by Western Lewis on and after April 1, 2016.

8. In light of the large negative AA in this application and other recent GCR filings, in its next GCR filing for rates effective July 1, 2016, Western Lewis should include support for the gas cost projection used to calculate its EGC. The information provided should include an explanation for why the price projections Western Lewis receives from Atmos Energy Marketing are significantly higher than the current and recent published futures prices of natural gas. Western Lewis should also explain what changes can be made to its estimation of its EGC to more appropriately reflect the price it reasonably expects to pay for natural gas in order to avoid passing such large over-recoveries of gas cost through its AA calculation.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Western Lewis are denied.
2. The rates set forth in the Appendix to this Order are approved for service rendered by Western Lewis on and after April 1, 2016.
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.
4. Western Lewis shall file the information required in finding paragraph 8 concurrent with the filing of its next application for GCR rates.

By the Commission



ATTEST:

  
Acting Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2016-00085 DATED **MAR 1, 1 2016**

The following rates and charges are prescribed for the customers in the area 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	\$5.0442	\$9.0325
Next 4,000 cubic feet per 1,000 cubic feet	1.4565	5.0442	6.5007
Next 5,000 cubic feet per 1,000 cubic feet	1.3970	5.0442	6.4412
Over 10,000 cubic feet per 1,000 cubic feet	1.2228	5.0442	6.2670

\*Western Lewis-Rectorville Water and Gas District  
8044 KY 3161  
Maysville, KY 41056-9344

\*Pauline Bickley  
Senior Office Clerk  
Western Lewis-Rectorville Water and Gas District  
8044 KY 3161  
Maysville, KY 41056-9344