

Western Lewis-Rectorville Water & Gas



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Maysville, KY 41056
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TTD/DEAF, HARD OF HEARING
SPEECH IMPAIRED PERSONS
CALL 711
TTY USERS CALL
1-800-648-6056
NON-TTY USERS CALL
1-800-648-6057

WATER
TREATMENT PLANT
8012 Kennedy Creek Rd
Maysville, KY 41056
(606) 564-4449
(606) 564-4414 Fax



RECEIVED

MAY 31 2016

Public Service
Commission

May 23, 2016

Jeff Derouen
Executive Director
Public Service Commission
Post Office Box 615
211 Sower Boulevard
Frankfort, Ky. 40602

Case No. 2016-00191

RE: Case No.
Western Lewis- Rectorville Water and Gas District
(Rates- GCR)

Dear Mr. Derouen,

Enclosed is the original plus ten (10) copies of the Gas Cost Recovery Rates to become effective July 01, 2016.

Should additional information be needed, please advise.

Sincerely,

Pauline Bickley
Pauline Bickley
Senior Office Clerk

Explanation for our large negative AA in this and recent filings and what can be done to help:

Western Lewis-Rectorville's gas cost projection used to calculate its Expected Gas Cost has been much higher than actual gas cost since March 2014. Gas prices from Atmos Energy Marketing had spiked so high to us in early 2014, while the prices we were charging to our customers was still so low, we were not recovering anywhere near our gas cost. In order to help us quickly start recovering the higher gas cost, Atmos started providing us with higher projected gas cost for our EGC. This caused our Actual Adjustment to have a high negative amount because the actual cost of gas has been lower than what we filed in our EGC.

As far as changes that can be made to keep the Actual Adjustments from remaining so high:

Western Lewis- Rectorville can ask Atmos to gradually reduce their projected gas cost that is used to calculate our EGC. We do not want to ask Atmos to reduce it immediately, because the market cost of gas is so low and our negative AA is so high, we would have hardly any gas cost included in our rates.

Until Western Lewis-Rectorville is able to lower its EGC to closer to market gas cost, we would also like to request that the PSC consider allowing us to return any large negative Actual Adjustments over 24 months instead of 12 months to keep our negative AA gradually going lower while the EGC is being changed to closer to market prices.

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF

THE NOTICE OF

GAS COST RECOVERY

FILING OF THE WESTERN LEWIS-RECTORVILLE GAS DISTRICT

CASE NO. 2016

NOTICE OF APPLICATION

YOUR APPLICANT, WESTERN LEWIS-RECTORVILLE GAS DISTRICT (THE DISTRICT) FOR THE PURPOSE OF COMPLYING WITH RULES AND REGULATIONS OF THE COMMISSION RESPECTFULLY ASSERTS:

1. IT IS A WATER AND GAS DISTRICT DULY ORGANIZED AND EXISTING UNDER THE LAWS OF THE COMMONWEALTH OF KENTUCKY.
2. CORRESPONDENCE AND COMMUNICATION WITH RESPECT OF THIS NOTICE SHOULD BE DIRECTED TO;

PAULINE BICKLEY
SENIOR OFFICE CLERK
8044 KY 3161
MAYSVILLE, KY 41056

2. WESTERN LEWIS-RECTORVILLE GAS DISTRICT GIVES THIS NOTICE TO THE PUBLIC SERVICE COMMISSION OF KENTUCKY PURSUANT TO THE GAS COST RECOVERY CLAUSE IN THE ORDER OF THE COMMISSION, DATED NOVEMBER 30, 1993.
4. THE DISTRICT HEREBY REQUESTS PERMISSION TO ADJUST ITS RATES, DUE TO A CHANGE IN ATMOS ENERGY MARKETING LLC RATES, IN ORDER TO FURTHER COMPLY WITH THE RULES AND REGULATIONS OF THE COMMISSION. THE FOLLOWING EXHIBITS ARE ATTACHED HERETO AND MADE A PART HEREOF.

Company Name

Western Lewis-Rectorville Gas

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed:

June 1st, 2016

Date Rates to be Effective:

July 1st, 2016

Reporting Period is Calendar Quarter Ended:

MARCH 31st, 2016

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	8.1985
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	- 5.0358
+ Balance Adjustment (BA)	\$/Mcf	- 1.1371
= Gas Cost Recovery Rate (GCR)		2.0256
GCR to be effective for service rendered from _____ to _____		

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	265,589
÷	Sales for the 12 months ended _____	Mcf	32,395
=	Expected Gas Cost (EGC)	\$/Mcf	8.1985
B.	<u>REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Supplier Refund Adjustment for Reporting Period (Sch.III)		
+	Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+	Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+	Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
=	Refund Adjustment (RA)	\$/Mcf	
C.	<u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	- 2.9944
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	- 1.0249
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	- .2005
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	- .8160
=	Actual Adjustment (AA)	\$/Mcf	- 5.0358
D.	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	- .9346
+	Previous Quarter Reported Balance Adjustment	\$/Mcf	- .1084
+	Second Previous Quarter Reported Balance Adjustment	\$/Mcf	- .0701
+	Third Previous Quarter Reported Balance Adjustment	\$/Mcf	- .0220
=	Balance Adjustment (BA)		- 1.1371

SCHEDULE II
EXPECTED GAS COST

Actual * MCF Purchases for 12 months ended

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) X (5) Cost
Atmos Energy	36,482	1066	33,502	7.28	265,589

Totals 36,482 33,502 265,589

Line loss for 12 months ended MAR 31, 2016 is .03 % based on purchases of
33,502 Mcf and sales of 32,395 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	265,589
÷ Mcf Purchases (4)	Mcf	33,502
= Average Expected Cost Per Mcf Purchased	\$/Mcf	7.9276
x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95)	Mcf	33,502
= Total Expected Gas Cost (to Schedule IA)	\$	265,589

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.

**Supplier's tariff sheets or notices are attached.

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended

(reporting period)

<u>Particulars</u>	<u>Unit</u>	Month 1 (JAN)	Month 2 (Feb)	Month 3 (MAR.)
Total Supply Volumes Purchased	Mcf	8808	6835	3576
Total Cost of Volumes Purchased	\$	33,528	26,436	11,425
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	8368	6493	3476
= Unit Cost of Gas	\$/Mcf	4.0067	4.0715	3.2868
- EGC in effect for month	\$/Mcf	9.7673	9.7613	9.7673
= Difference [(over-)/Under-Recovery]	\$/Mcf	-5.7606	-5.6958	-6.4805
x Actual sales during month	Mcf	6757	6242	3476
= Monthly cost difference	\$	-38,924	-35,553	-22,526
Total cost difference (Month 1 + Month 2 + Month 3)	Unit	Amount		
÷ Sales for 12 months ended	\$	-97,003		
	Mcf	32,395		
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	-2.9944		

SCHEDULE V

BALANCE ADJUSTMENT

For the 3 month period ended

(reporting period)

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
(1) Total Cost Difference used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR	\$	- 110,796
Less: Dollar amount resulting from the AA of - 2.4836 \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of 32,395 Mcf during the 12-month period the AA was in effect.	\$	- 80,456
Equals: Balance Adjustment for the AA.	\$	30,340
(2) Total Supplier Refund Adjustment including interest used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR.	\$	
Less: Dollar amount resulting from the RA of \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of Mcf during the 12-month period the RA was in effect.	\$	
Equals: Balance Adjustment for the RA	\$	
(3) Total Balance Adjustment used to compute BA of the GCR effective four quarters prior to the effective date of the currently effective GCR	\$	
Less: Dollar amount resulting from the BA of \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of Mcf during the 12-month period the BA was in effect.	\$	
Equals: Balance Adjustment for the BA.	\$	
Total Balance Adjustment Amount (1) + (2) + (3)	\$	
Sales for 12 months ended	Mcf	32,395
= Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	- .9366

2016 2nd Quarter Price Projections			
Prepared for Western Lewis Rectorville by Atmos Energy Marketing			
Month	Expected Usage	Total Amount Due	WACOG
Jul-16	600	\$4,325.30	\$7.21
Aug-16	600	\$4,368.17	\$7.28
Sep-16	700	\$5,131.93	\$7.33
Quarter Average	633	\$4,608.47	\$7.28