

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. 92-331-K

O R D E R

On May 12, 1993, in Case No. 92-331, the Commission approved adjustments to the rates of Western Lewis-Rectorville Water and Gas District ("Western Lewis") to recover its purchased gas cost on a quarterly basis in accordance with the provisions of its gas cost adjustment ("GCA") clause.

On December 1, 1995, Western Lewis filed its GCA to be effective from January 1, 1996 to April 1, 1996.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Western Lewis's notice proposed revised rates to pass on its expected wholesale decrease in gas costs to its customers. Western Lewis's expected gas cost ("EGC") is \$2.8415 per Mcf. Western Lewis had proposed an EGC of \$2.8726 per Mcf but had failed to adjust allowable purchases for line loss in excess of 5 percent.

2. Western Lewis's notice set out no refund adjustment.

3. Western Lewis's current actual adjustment ("AA") should be (1.83) cents per Mcf to return over-recoveries of July, August, and September 1995 gas cost to its customers. The total AA of 29.12 cents per Mcf reflects the current over-recovery, as well as

previous quarters' under- and over-recovery. Western Lewis neglected to correctly include the previous quarters' AAs of (.24) cent and 3.02 cents in its calculation. The Commission made a further adjustment to exclude sales volumes in excess of 105 percent of purchase volumes from the calculation of unit cost of gas.

4. Western Lewis's notice set out the amount it needed to collect through its balance adjustment ("BA") but did not calculate the adjustment itself. The BA should be 3.77 cents per Mcf.

5. These combined adjustments produce a corrected gas cost recovery rate ("GCR") of \$3.1704 per Mcf, \$1.3207 per Mcf less than its prior rate.

6. The revised rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for service rendered on and after January 1, 1996.

IT IS THEREFORE ORDERED that:

1. Western Lewis's proposed rates be and they hereby are denied.

2. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for service rendered on and after January 1, 1996.

3. Within 30 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 21st day of December, 1995.

PUBLIC SERVICE COMMISSION

Linda Brewster
Chairman

Vice Chairman

Robert M. Davis
Commissioner

ATTEST:

Don Mills
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-331-K DATED DECEMBER 21, 1995

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 |
| <u>Monthly Usage</u> | | | |
| | <u>Base Rate</u> | <u>Gas Cost Recovery Rate</u> | <u>Total</u> |
| First 1,000 cu. ft. or less (Minimum Bill) | \$3.9883 | \$3.1704 | \$7.1587 |
| Next 4,000 cu. ft. per 1,000 cu. ft. | 1.4565 | 3.1704 | 4.6269 |
| Next 5,000 cu. ft. per 1,000 cu. ft. | 1.3970 | 3.1704 | 4.5674 |
| Over 10,000 cu. ft. per 1,000 cu. ft. | 1.2228 | 3.1704 | 4.3932 |