

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT)
FILING OF WESTERN LEWIS-) CASE NO. 92-331-S
RECTORVILLE WATER AND GAS DISTRICT)

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 3, 1997, Western Lewis filed its GCA to be effective from January 1, 1998 to April 1, 1998.

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

1. In its notice, Western Lewis proposed revised rates to pass on its expected wholesale increase in gas costs to its customers. Western Lewis's proposed expected gas cost ("EGC") is \$4.4172 per Mcf.
2. Western Lewis's notice set out no refund adjustment.
3. Western Lewis's proposed current actual adjustment ("AA") is 4.49 cents per Mcf, which is designed to collect under-recoveries of July, August, and September 1997 gas cost from its customers. The total AA of (15.78) cents per Mcf reflects the current net

under-recovery, as well as previous quarters' under- and over-recoveries, and correctly sets out the third previous quarter AA as a positive amount.

4. Western Lewis's notice set out a current balance adjustment ("BA") of 3.77 cents per Mcf to reconcile a previous quarter AA. Based on the (31.34) AA approved for that quarter, and the over-recovery of \$20,524 that was to have been returned to customers, the current quarter BA should be (2.81) cents per Mcf. The second previous quarter BA should be 1.84 cent per Mcf instead of (1.84) cents per Mcf. The total BA is 2.10 cents per Mcf.

5. These combined adjustments produce a corrected gas cost recovery rate ("GCR") of \$4.2804 per Mcf, 62.07 cents per Mcf more 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 2, 1998. Western Lewis did not give the 30 days' notice necessary for its rates to be effective January 1, 1998.

IT IS THEREFORE ORDERED that:

1. Western Lewis's proposed rates 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 2, 1998.
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 24th day of December, 1997.

PUBLIC SERVICE COMMISSION

B. J. Helton
Chairman

Ernest J. [unclear]
Vice Chairman

Raymond [unclear]
Commissioner

ATTEST:

Cheryl C. Helton
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-331-S DATED DECEMBER 24, 1997.

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	\$4.2804	\$8.2687
Next 4,000 cu. ft. per 1,000 cu. ft.	1.4565	4.2804	5.7369
Next 5,000 cu. ft. per 1,000 cu. ft.	1.3970	4.2804	5.6774
Over 10,000 cu. ft. per 1,000 cu. ft.	1.2228	4.2804	5.5032