

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-W

ORDER

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 November 30, 1998, Western Lewis filed its GCA to be effective from January 1, 1999 to April 1, 1999.

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 increase in gas costs to its customers. Western Lewis's proposed expected gas cost is \$3.8549 per Mcf. Correcting the calculation to multiply the average expected cost per Mcf purchased by line loss-adjusted purchases yields an expected gas cost of \$3.8000, an increase of .67 cent per Mcf from the prior EGC.

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

3. Western Lewis's proposed current actual adjustment ("AA") is 1.91 cents per Mcf. Western Lewis incorrectly set out its September over-recovery as an under-recovery. The current quarter AA should be 1.55 cents per Mcf, which reflects a Total cost difference for July, August, and September of \$782. The total AA of (19.12) cents per Mcf reflects the current net over-recovery, as well as previous quarters' under- and over-recoveries, and represents a 2.94 cent per Mcf decrease from the previous quarter total AA.

4. Western Lewis's notice set out a current balance adjustment ("BA") of 6.83 cents per Mcf to reconcile a previous quarter AA. In making its calculations, Western Lewis did not use the over-recovery found correct by the Commission. The current BA should be (.14) cent per Mcf. The previous quarter BA should be (5.42) cents per Mcf, and the second previous quarter BA should be 1.28 cents per Mcf. The total BA should be (4.00) cents per Mcf, an increase of 2.67 cents per Mcf from the previous total BA.

5. These combined adjustments produce a corrected gas cost recovery rate ("GCR") of \$3.5688 per Mcf, .40 cent per Mcf more than the prior rate of \$3.5648.

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, 1999.

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 1, 1999.

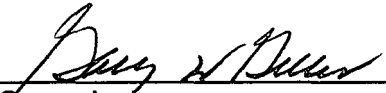
3. Within 30 days of the date of this Order, Western Lewis shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 17th day of December, 1998.

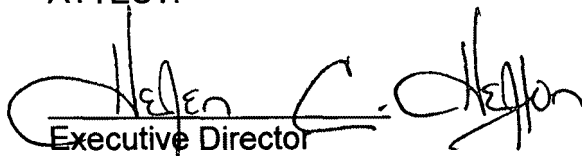
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-331-W DATED DECEMBER 17, 1998

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>		Gas Cost Recovery	
	<u>Base Rate</u>	<u>Rate</u>	<u>Total</u>
First 1,000 cubic feet or less (Minimum Bill)	\$3.9883	\$3.5688	\$7.5571
Next 4,000 cubic feet per 1,000 cubic feet	1.4565	3.5688	5.0253
Next 5,000 cubic feet per 1,000 cubic feet	1.3970	3.5688	4.9658
Over 10,000 cubic feet per	1.2228	3.5688	4.7916