

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-Z

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 August 25, 1999, Western Lewis filed its GCA to be effective from October 1, 1999 to December 31, 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 (EGC) is \$4.1623 per Mcf. Western Lewis incorrectly calculated the average expected cost per Mcf purchased on Schedule II. It also used an incorrect sales figure to calculate the EGC on Schedule I. Correcting for these errors produces an EGC of \$4.1980, an increase of 44.63 cents per Mcf from the prior EGC of \$3.7517.
2. Western Lewis s notice set out no refund adjustment.

3. Western Lewis's proposed current actual adjustment (AA) is 31.76 cents per Mcf. Western Lewis incorrectly used 95 percent of the cost of purchased gas rather than total sales to calculate its AA. Correcting for this error produces an AA of (9.74) cents per Mcf. Western Lewis also incorrectly calculated its total AA, using the wrong sign in the quarterly AA figures carried over from prior PGA filings. The correct total AA of (15.13) cents per Mcf reflects the current net over-recovery, as well as previous quarters' under- and over-recoveries, which the Commission corrected to the adjustments allowed for those quarters. The total AA represents a .12 cents per Mcf decrease from the previous quarter total AA.

4. Western Lewis's notice set out a current balance adjustment (BA) of (2.71) cents per Mcf to reconcile a previous quarter AA. The current total BA of 3.68 cents per Mcf reflects the current over-recovery as well as previous quarters' under- and over-recoveries. The total BA represents an increase of 2.71 cents per Mcf from the previous total BA.

5. These combined adjustments produce a corrected gas cost recovery rate (GCR) of \$4.0835 per Mcf, 47.22 cents per Mcf more than the prior rate of \$3.6113.

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 October 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 October 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 15th day of September, 1999.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-331-Z DATED SEPTEMBER 15, 1999

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 Rate	<u>Total</u>
	<u>Base Rate</u>		
First 1,000 cubic feet or less (Minimum Bill)	\$3.9883	\$4.0835	\$8.0718
Next 4,000 cubic feet per 1,000 cubic feet	1.4565	4.0835	5.5400
Next 5,000 cubic feet per 1,000 cubic feet	1.3970	4.0835	5.4805
Over 10,000 cubic feet per	1.2228	4.0835	5.3063