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-CC RECTORVILLE WATER AND GAS DISTRICT)

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 May 30, 2000, Western Lewis filed its GCA to be effective from July 1, 2000 to September 30, 2000.

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 \$4.6282 per Mcf, an increase of 38.89 cents per Mcf from the prior EGC of \$4.2393.

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

3. Western Lewis's proposed current actual adjustment ("AA") is (.17) cent per Mcf. Western Lewis's proposed total AA of (31.38) cents per Mcf reflects the

current net over-recovery, as well as previous quarters' under- and over-recoveries. The total AA represents a 16.06 cents per Mcf increase from the previous quarter total AA.

4. Western Lewis's notice set out a current balance adjustment ("BA") of 1.37 cent per Mcf to reconcile a previous quarter AA. Western Lewis used the incorrect sign in its proposed current quarter BA. Correcting for this produces a current quarter BA of (1.37) cent per Mcf. Western Lewis's notice set out a total BA of (1.09) cent per Mcf. Adjusting for the correct current quarter BA produces a total BA of (3.83) cents per Mcf which reflects the current over-recovery as well as previous quarters' under- and over-recoveries. The total BA represents a decrease of 6.59 cents per Mcf from the previous total BA.

5. These combined adjustments produce a corrected gas cost recovery rate ("GCR") of \$4.2761 per Mcf, 48.36 cents per Mcf more than the prior rate of \$3.7925.

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 July 1, 2000.

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 July 1, 2000.

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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 22nd day of June, 2000.

By the Commission

ATTEST:

Mas Helle _____ Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-331-CC DATED JUNE 22, 2000

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

Monthly usage

	Base Rate	Gas Cost Recovery <u>Rate</u>	<u>Total</u>
First 1,000 cubic feet or less (Minimum Bill)	\$3.9883	\$4.2761	\$8.2644
Next 4,000 cubic feet per 1,000 cubic feet	1.4565	4.2761	5.7326
Next 5,000 cubic feet per 1,000 cubic feet	1.3970	4.2761	5.6731
Over 10,000 cubic feet per	1.2228	4.2761	5.4989