

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT)
FILING OF WESTERN LEWIS-) CASE NO. 2002-00301
RECTORVILLE WATER AND GAS DISTRICT)

ORDER

On May 12, 1993, in Case No. 1992-00331, the Commission approved rates for Western Lewis-Rectorville Water and Gas District (Western Lewis) and provided for their further adjustment in accordance with Western Lewis s gas cost adjustment (GCA) clause.

On August 8, 2002, Western Lewis filed its proposed GCA to be effective September 1, 2002. Western Lewis requests a waiver of the 30-day notice period because it did not receive its expected gas rates from its supplier until August 5, 2002. As KRS 278.180(2) permits the Commission to shorten the required notice period for good cause, the Commission finds the utility s request should be granted.

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

1. Western Lewis s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Western Lewis s proposed expected gas cost (EGC) is \$4.7083 per Mcf, which is 20.57 cents per Mcf less than the prior EGC of \$4.9140.
3. Western Lewis s notice sets out no refund adjustment.

4. Western Lewis's notice sets out a current actual adjustment (AA) of (41.85) cents per Mcf. Western Lewis's notice sets out a total AA of (39.25) cents per Mcf. Western Lewis carried forward an incorrect quarterly AA amount from the previous period and did not include a quarterly AA that is still in effect. Correcting for this error produces a total AA of (\$1.9563) per Mcf, which represents a decrease of 41.85 cents per Mcf from the previous total AA.

5. Western Lewis's notice sets out no current quarter balance adjustment (BA). Western Lewis's notice sets out a total BA of 18.74 cents per Mcf, which represents no change from the previous total BA.

6. These combined adjustments produce a gas cost recovery rate (GCR) of \$2.9394 per Mcf, which is 62.42 cents per Mcf less than the previous rate of \$3.5636.

7. The rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for bills rendered by Western Lewis on and after September 1, 2002.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for bills rendered on and after September 1, 2002.

2. Within 20 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 23rd day of August, 2002.

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas H. [unclear]", written over a horizontal line.

Executive Director

