

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF WESTERN LEWIS-RECTORVILLE)	2025-00160
WATER AND GAS DISTRICT)	

ORDER

On May 30, 2025, Western Lewis-Rectorville Water and Gas District (Western Lewis-Rectorville District) filed its proposed Gas Cost Recovery (GCR) rate report to be effective July 1, 2025. Western Lewis-Rectorville District's previous GCR rate was approved in Case No. 2025-00039.¹

LEGAL STANDARD

The Commission's standard of review for GCR rates is well settled as stated in KRS 278.274(1):

In determining whether proposed natural gas utility rates are just and reasonable, the commission shall review the utility's gas purchasing practices. The commission may disallow any costs or rates which are deemed to result from imprudent purchasing practices on the part of the utility.

Further, the utility has the burden to prove the rates are just and reasonable and the Commission may reduce the purchased gas component of the utility's rates, or the rates charged by an affiliated company to the extent the amount is deemed to be unjust or unreasonable.²

¹ Case No. 2025-00039, *Electronic Purchased Gas Adjustment Filing of Western Lewis-Rectorville Water and Gas District* (Ky. PSC Mar. 31, 2025).

² KRS 278.274(2); KRS 278.274(3)(c); and KRS 278.274(3)(d).

DISCUSSION

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that Western Lewis-Rectorville District's report includes revised rates designed to pass on to its customers its expected change in gas costs. Western Lewis-Rectorville District's report sets out an Expected Gas Cost (EGC) of \$7.2040 per Mcf, which is a decrease of \$0.2909 per Mcf from its previous EGC of \$7.4949 per Mcf. Western Lewis-Rectorville District's report sets out no Refund Adjustment. Western Lewis-Rectorville District's report sets out a current quarter Actual Adjustment (AA) of \$0.0346 per Mcf. In calculating its total AA, Western Lewis-Rectorville District erroneously included an incorrect amount of (\$1.7223) per Mcf for the Previous Quarter AA, (\$0.9963) per Mcf for the Second Previous Quarter AA, and (\$0.5488) per Mcf for the Third Previous Quarter AA. The correct Previous Quarter AA is (\$0.0196) per Mcf as approved in Case No. 2025-00039³, the correct Second Previous Quarter AA is (\$0.0681) per Mcf as approved in Case No. 2024-00375,⁴ and the correct Third Previous Quarter AA is (\$0.9963) per Mcf as approved in Case No. 2024-00281.⁵ Correcting this produces a total AA of (\$1.0494) per Mcf, which is an increase of \$0.6729 per Mcf from its previous total AA of (\$1.7223) per Mcf. Western Lewis-Rectorville District sets out no Balance Adjustment.

³ Case No. 2025-00039, *Electronic Purchased Gas Adjustment Filing of Western Lewis-Rectorville Water and Gas District* (Ky. PSC Mar. 31, 2025).

⁴ Case No. 2024-00375, *Electronic Purchased Gas Adjustment Filing of Western Lewis-Rectorville Water and Gas District* (Ky. PSC Dec. 20, 2024).

⁵ Case No. 2024-00281, *Electronic Purchased Gas Adjustment Filing of Western Lewis-Rectorville Water and Gas District* (Ky. PSC Sept. 30, 2024).

Based on the corrected calculations above, the Commission finds that Western Lewis-Rectorville District's corrected GCR rate is \$6.1546 per Mcf, which is an increase of \$0.3820 per Mcf from the previous GCR rate of \$5.7726 per Mcf. The Commission finds that rates as set forth in the Appendix to this Order are fair, just and reasonable and should be approved for service rendered by Western Lewis-Rectorville District on and after July 1, 2025.

For the purpose of transparency and to maintain a record of information for future use, the Commission finds that Western Lewis-Rectorville District shall submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files its future GCR rate reports. Should Western Lewis-Rectorville District purchase sustainable natural gas from a renewable source during the reporting period of any future GCR reports, then the supplier, cost, and amount must be documented in its cover letter to the Commission.

IT IS THEREFORE ORDERED that:


1. The rates proposed by Western Lewis-Rectorville District are denied.
2. The rates set forth in the Appendix to this Order are approved for service rendered on and after July 1, 2025.
3. Western Lewis-Rectorville District shall submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files its future GCR rate reports.
4. Should Western Lewis-Rectorville District purchase sustainable natural gas from a renewable source during the reporting period of any future GCR reports, then the supplier, cost, and amount shall be documented in its cover letter to the Commission.

5. Within 20 days of the date of service of this Order, Western Lewis-Rectorville District shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

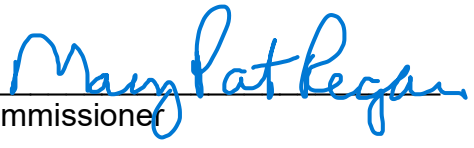
6. This case is closed and removed from the Commission's docket.

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PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner

ATTEST:


Executive Director



APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2025-00160 DATED JUN 27 2025

The following rates and charges are prescribed for the customers in the area 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 the authority of this Commission prior to the effective date of this Order.

Monthly Usage

	<u>Base Rate</u>	Gas Cost Recovery <u>Rate</u>	<u>Total</u>
All MCF	\$1.5642	\$6.1546	\$7.7188

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