

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST RECOVERY)
FILING OF THE WESTERN LEWIS-) CASE NO. 2008-00475
RECTORVILLE 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 clause.¹

On November 17, 2008, Western Lewis-Rectorville filed its proposed Gas Cost Recovery Rate ("GCR") to be effective January 1, 2009.

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 gas costs.

2. Western Lewis's notice sets out an Expected Gas Cost ("EGC") of \$10.8806 per Mcf. Western Lewis's reported line loss is 5.16 percent which requires that the allowable purchases be adjusted for the line loss greater than 5 percent. This

¹ Case No. 1992-00331, The Application of Western Lewis-Rectorville for an Adjustment of Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities.

adjustment produces an EGC of \$10.8619 per Mcf, which is a decrease of \$1.9291 per Mcf from its previous EGC of \$12.7910.

3. Western Lewis's notice sets out no Refund Adjustment.

4. Western Lewis's notice sets out a current quarter Actual Adjustment ("AA") of (\$.0182) per Mcf. Western Lewis's total AA is (\$.6306) per Mcf, which is an increase of \$.0204 per Mcf from the previous total AA of (\$.6510).

5. Western Lewis's notice sets out a current quarter Balance Adjustment ("BA") of (\$.0091) per Mcf. While the numerical value is correct, the sign is not; the factor should be \$.0091 per Mcf. Western Lewis's total BA is \$.0719 per Mcf, which is a decrease of \$.0164 per Mcf from the previous total BA of \$.0883.

6. Western Lewis's GCR is \$10.3032 per Mcf, which is \$1.9251 per Mcf less than the previous rate of \$12.2283.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Western Lewis on and after January 1, 2009.

IT IS THEREFORE ORDERED that:

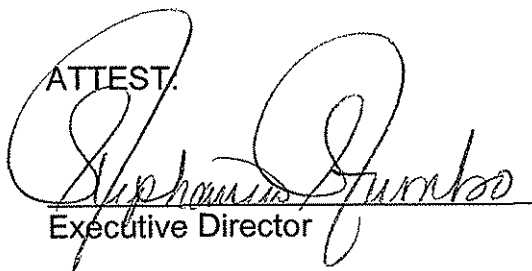
1. Western Lewis's proposed rates are denied.

2. The rates in the Appendix to this Order are approved for service rendered on and after January 1, 2009.

3. 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 December, 2008.
By the Commission

ATTEST.



Stephanie Furness
Executive Director

Case No. 2008-00475

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00475 DATED DECEMBER 23, 2008

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>			
	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1,000 cubic feet or less (Minimum Bill)	\$3.9883	\$10.3032	\$14.2915
Next 4,000 cubic feet per 1,000 cubic feet	1.4565	10.3032	11.7597
Next 5,000 cubic feet per 1,000 cubic feet	1.3970	10.3032	11.7002
Over 10,000 cubic feet per 1,000 cubic feet	1.2228	10.3032	11.5260

Pauline Bickley
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