

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING)
OF WESTERN LEWIS-RECTORVILLE) CASE NO. 2010-00342
WATER AND GAS)

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.¹

On August 25, 2010, Western Lewis filed its proposed Gas Cost Recovery ("GCR") rate to be effective October 1, 2010.

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 \$7.7425 per Mcf, which is an increase of \$1.0280 per Mcf from its previous EGC of \$6.7145 per Mcf. Western Lewis's EGC is based on a preliminary supplier invoice from August. Although using this August rate does not appear to produce results radically

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 (Ky. PSC May 12, 1993).

different than using projections for October, November, and December 2010, Western Lewis could experience extreme under-/over-recoveries of its gas cost if it continues to use this methodology. In every future filing, Western Lewis should calculate its proposed EGC using projections of gas cost for the months during which the EGC will be included in rates. Western Lewis can receive this projection from its supplier, Atmos Energy Marketing, LLC.

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

4. Western Lewis's notice sets out a current quarter Actual Adjustment ("AA") of (\$.5218) per Mcf. Western Lewis's total AA is (\$.5686) per Mcf, which is an increase of \$.1894 per Mcf from the previous total AA of (\$.7580) per Mcf.

5. Western Lewis's notice sets out a current quarter Balance Adjustment ("BA") of (\$.0642) per Mcf. Western Lewis's total BA is (\$.1513) per Mcf, which is a decrease of \$.0583 per Mcf from the previous total BA of (\$.0930) per Mcf.

6. Western Lewis's GCR is \$7.0226 per Mcf, which is an increase of \$1.1591 per Mcf from the previous rate of \$5.8635 per Mcf.

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 October 1, 2010.

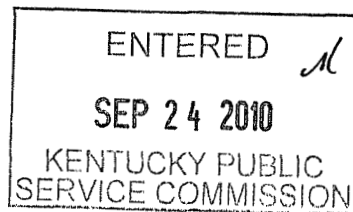
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for service rendered on and after October 1, 2010.

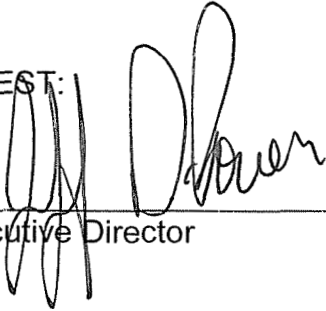
2. Within 20 days of the date of this Order, Western Lewis shall file its revised tariffs with this Commission setting out the rates authorized herein and reflecting that they were approved pursuant to this Order.

3. In every future filing, Western Lewis shall calculate its EGC based on supplier projections for gas cost expected during the calendar quarter.

By the Commission



ATTEST:



Executive Director

Pauline Bickley
Senior Office Clerk
Western Lewis-Rectorville Water and Gas District
8000 Day Pike
Maysville, KY 41056-9344