

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF WESTERN LEWIS-RECTORVILLE)	2025-00039
WATER AND GAS DISTRICT)	

ORDER

On March 3, 2025, Western Lewis-Rectorville Water and Gas District (Western Lewis-Rectorville District) filed its proposed Gas Cost Recovery (GCR) rate report to be effective April 1, 2025. Western Lewis-Rectorville District's previous GCR rate was approved in Case No. 2024-00375.¹

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. 2024-00375, *Electronic Purchased Gas Adjustment Filing of Western Lewis-Rectorville Water and Gas District* (Ky. PSC Dec 20, 2024).

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 \$7.4949 per Mcf, which is an increase of \$4.2013 per Mcf from its previous EGC of \$3.2936 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 \$1.8654 per Mcf which is incorrect. Western Lewis-Rectorville District misreported its total sales for the months of October, November, and December in its schedule IV because of hard entered excel values. The Commission corrected current quarter Actual Adjustment is (\$0.0196) per Mcf. Using the corrected current quarter AA the total corrected AA is (\$1.7223) per Mcf, which is a decrease of \$0.0303 per Mcf from its previous total AA of (\$1.7526) per Mcf. Western Lewis-Rectorville sets out no Balance Adjustment.

Western Lewis-Rectorville District's report set out a GCR rate of \$5.7726 per Mcf, which is an increase of \$4.2316 per Mcf from the previous GCR rate of \$1.5410 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 April 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 corrected by Commission Staff are approved.
3. The corrected rates set forth in the Appendix to this Order are approved for service rendered on and after April 1, 2025.
4. 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.
5. 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.
6. 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.
7. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION

Chairman



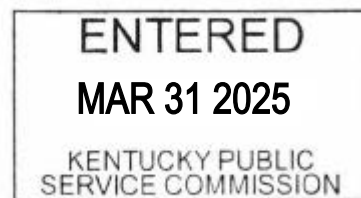
Commissioner

Commissioner



ATTEST:


Executive Director



APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2025-00039 DATED MAR 31 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	\$5.7726	\$7.3368

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