

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT	)	CASE NO.
FILING OF WESTERN LEWIS-RECTORVILLE	)	2026-00231
WATER AND GAS DISTRICT	)	

ORDER

On September 1, 2026, Western Lewis-Rectorville Water and Gas District, (Western-Lewis-Rectorville District) filed its proposed Gas Cost Recovery (GCR) rate report to be effective October 1, 2026. Western-Lewis-Rectorville District's previous GCR rate was approved in Case No. 2026-00137.¹

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 fair, 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. 2026-00137, *Electronic Purchased Gas Adjustment Filing of Western Lewis-Rectorville Water and Gas District* (Ky. PSC June 30, 2026).

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

BACKGROUND

During the Commission's review of Case Nos. 2026-00048³ and 2026-00137, it was discovered that a timing discrepancy existed between Western Lewis-Rectorville District's purchased gas costs and customer usage amounts. Specifically, natural gas purchases were invoiced on a calendar month basis, while customer usage was billed based on meter readings taken on approximately the 15th of each month.⁴ As a result, the periods associated with purchased gas costs did not align with the periods represented by customer usage, resulting in a misalignment that affected the accuracy of the Actual Adjustment (AA) component.⁵

Western Lewis-Rectorville District included monthly invoices from its supplier, Symmetry Energy Solutions (Symmetry), as supporting documentation with its quarterly GCR rate reports.⁶ The Symmetry invoices report the total volume of natural gas purchased in MMBtu, along with the price per MMBtu, transmission charges, and management fees. Additionally, Western Lewis-Rectorville District included invoices from Columbia Gas Transmission, LLC (Columbia) that detail the daily flow amounts and identify the quantity of natural gas transported on behalf of Western Lewis-Rectorville District, expressed in both Mcf and Dth.⁷

³ Case No. 2026-00048, *Electronic Purchase Gas Adjustment Filing of Western Lewis-Rectorville Water and Gas District* (Ky. PSC June 30, 2026).

⁴ Case No. 2026-00048, Mar. 31, 2026 Informal Conference Memo.

⁵ Case No. 2026-00137, June 30, 2026 final Order at 4-5.

⁶ Gas Cost Measurement and Invoices (filed Sept. 1, 2026).

⁷ Gas Cost Measurement and Invoices.

In order to evaluate the impact of the timing difference, meter reading dates were provided by Western Lewis-Rectorville District and were used to determine the amount of gas purchases and costs. Using these meter reading dates, the daily flow reports provided by Columbia, and the pricing information provided in the Symmetry invoices, gas purchases and associated costs were recalculated based on Western Lewis-Rectorville District's customer billing periods. Because one Dth is equivalent to one MMBtu, the monthly cost per MMBtu from the Symmetry reports were applied to the corresponding daily Dth volumes reflected in the Columbia flow reports. In doing this, the daily cost of natural gas purchases was able to be determined. The total Dth volumes transported for each meter reading period were identified using the meter reading dates and applied the applicable cost per MMBtu, transmission charges, and management fees in the corresponding Symmetry invoices to determine the total gas cost attributable to each billing period.⁸

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 an expected change in gas costs. Western Lewis Rectorville-District's report sets out an Expected Gas Cost (EGC) of \$4.7383 per Mcf, which is a decrease of \$0.3539 per Mcf from its previous EGC of \$5.0922 per Mcf. Western Lewis-Rectorville District's report sets out no Refund Adjustment. Western Lewis-Rectorville District's report sets out a current quarter AA of (\$1.9042) per Mcf.

⁸ Case No. 2026-00137, June 30, 2026 final Order at 5-6.

However, the timing discrepancy between Western Lewis-Rectorville District's purchased gas volumes and customer usage amounts continues to affect the accuracy of the AA component. This is evident in the reported purchased quantities of 1,304 Mcf, 1,107 Mcf, and 484 Mcf for the months of April through June 2026, while reported sales for the same period were 9,314 Mcf, 4,744 Mcf, and 1,540 Mcf, respectively.⁹ Applying the methodology used to align Western Lewis-Rectorville District's purchased gas and sales in Case No. 2026-00137,¹⁰ the corrected current quarter AA is \$0.3908 per Mcf. Western Lewis Rectorville District's report sets out a total AA of (\$2.0705) per Mcf; however, as a result of the revised current quarter AA of \$0.3908 per Mcf, Western Lewis-Rectorville District's revised total AA is \$0.2245 per Mcf, which is an increase of \$0.3908 per Mcf from its previous total AA of (\$0.1663) per Mcf. Western Lewis-Rectorville sets out no Balance Adjustment.

Based on the calculations above, the Commission finds that Western Lewis-Rectorville District's revised GCR rate is \$4.9628 per Mcf, which is an increase of \$0.0369 per Mcf from its previous GCR rate of \$4.9259 per Mcf. The Commission finds that the inputs, resulting components and calculation of Western Lewis-Rectorville District's revised GCR rate of \$4.9628 per Mcf to be reasonable. The Commission further finds that the rates 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 October 1, 2026.

⁹ Western Lewis-Rectorville District's GCR Rate Report.

¹⁰ Case No. 2026-00137, June 30, 2026 final Order at 4-6.

For the purpose of transparency and to maintain a record of information for future use, the Commission finds Western Lewis-Rectorville District should 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.

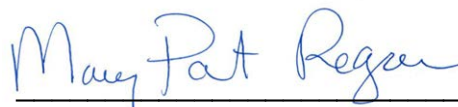
IT IS THEREFORE ORDERED that:

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 October 1, 2026.
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 rate approved herein and reflecting that it was approved pursuant to this Order.
6. This case is closed and removed from the Commission's docket.

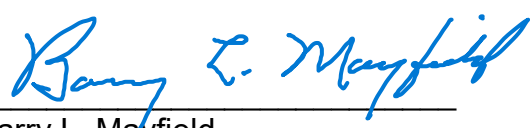
Entered on this 25th day of September, 2026.

PUBLIC SERVICE COMMISSION



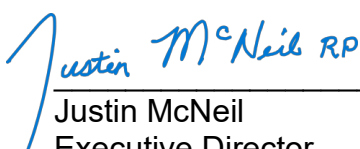
Angie Hatton
Chair

Mary Pat Regan
Vice Chair

Andrew W. Wood
Commissioner

Barry L. Mayfield
Commissioner

ATTEST:



Justin McNeil
Executive Director

Case No. 2026-00231

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2026-00231 DATED SEP 25 2026

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 the Commission prior to the effective date of this Order.

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
All Mcf	\$1.5642	\$4.9628	\$6.5270

Service List for Case 2026-00231

* Western Lewis-Rectorville Water and Gas District
8044 KY 3161
Maysville, KY 41056-9344

* Sharon Dennison
Senior Office Clerk
Western Lewis-Rectorville Water and Gas District
8044 KY 3161
Maysville, KY 41056-9344