

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: December 11, 2002

CASE NO. 02-1061-G-30C

GASCO DISTRIBUTION SYSTEMS, INC.

Application to change rates effective
November 1, 2002, pursuant to Rule 30-C,
General Order No. 183.4, Purchased Gas
Application.

RECOMMENDED DECISION

On July 24, 2002, Gasco Distribution Systems, Inc. (Gasco), filed an application with the Public Service Commission to change rates for gas service in compliance with Rule 30-C of the Commission's Rules and Regulations for the Government of the Construction and Filing of Tariffs of Public Utilities and Common Carriers by Motor Vehicle (Tariff Rules), which calls for the calculation of purchased gas costs on an annual or semi-annual basis. West Virginia Code §24-2-4c and Rule 43 of the Commission's Tariff Rules require that gas utilities seeking any rate increase must demonstrate that dependable lower-priced supplies of natural gas are not readily available from other sources by making certain detailed filings. However, in applications for purchased gas adjustments where the proposed rates remain the same or are reduced, no filing of Rule 43 information is required either by the terms of the statute or Rule 43. Further, in General Order No. 243-G, issued on January 20, 1989, the Commission established additional topics to be addressed by natural gas utilities in their purchased gas applications, including the impact of gas-on-gas competition and mandatory common carriage on utilities.

Gasco has requested a purchased gas increment of \$6.0275 per Mcf, in substitution for the current purchased gas rate of \$5.4386 per Mcf, an increase of \$0.5889 per Mcf, to become effective November 1, 2002. In its application, Gasco submitted information pursuant to Rule 43 and General Order No. 243-G.

By Referral Order entered on August 7, 2002, the Commission referred this matter to the Division of Administrative Law Judges, directing that either an interim or final recommended decision be entered on or before October 11, 2002, and that a final recommended decision be entered on or before March 21, 2003.

On August 22, 2002, Gasco submitted affidavits of publication verifying compliance with the public notice requirements of Rule 30C.

By Procedural Order issued on September 6, 2002, Commission Staff was directed to file its interim rate recommendation in this proceeding on or before October 4, 2002.

On October 4, 2002, Staff Attorney Ronald E. Robertson, Jr., filed the Final Joint Staff Memorandum in this proceeding. Attached to the Final Joint Staff Memorandum was the Utilities Division Final Staff Recommendation, prepared by Michael E. Dailey, Utilities Analyst, Utilities Division. Commission Staff recommended that an increased purchased gas increment of \$7.6085 per Mcf be approved.

On October 11, 2002, Staff Attorney Robertson filed a Further Final Joint Staff Memorandum, attached to which was a Further Memorandum prepared by Mr. Dailey. Staff stated that its October 4, 2002 recommendation should be treated as an interim recommendation, until it has had a chance to discuss some issues with Gasco.

On October 11, 2002, an Interim Recommended Decision was issued in this proceeding, approving a purchased gas increment of \$7.6085 per Mcf to be charged by Gasco, on an interim basis, for all service rendered on and after November 1, 2002.

On November 22, 2002, Staff Attorney Robertson filed the Final Joint Staff Memorandum in this proceeding. Attached to the Final Joint Staff Memorandum was the Utilities Division Further Final Staff Recommendation, prepared by Mr. Dailey. Commission Staff and Gasco are in agreement that the interim purchased gas increment of \$7.6085 per Mcf should be approved as the final rate. The Staff recommendation was served upon Gasco by letter dated November 22, 2002, and Gasco was provided ten (10) days to object or respond thereto. As of the date of this order, no response or objection has been filed by Gasco.

Upon consideration of all of the above, since Gasco has given proper notice of its requested increased purchased gas increment, and since Commission Staff has reviewed Gasco's application and has recommended final approval of its recommended interim purchased gas increment, a purchased gas increment of \$7.6085 per Mcf, including B&O taxes, should be approved for Gasco Distribution Systems, Inc., to become effective for all service rendered on and after the date that this order becomes final.

FINDINGS OF FACT

1. Gasco Distribution Systems, Inc., has requested an increase in its existing purchased gas increment. (Application filed July 24, 2002; Final Joint Staff Memorandum filed October 4, 2002).

2. Gasco gave proper public notice of its requested increased purchased gas increment and no protests were filed in response thereto. (Affidavit of Publication filed August 22ase file, generally).

3. Commission Staff reviewed Gasco's application pursuant to Rule 30-C and has recommended final approval of the interim purchased gas

increment of \$7.6085 per Mcf. (Final Joint Staff Memorandum filed November 22, 2002).

4. Gasco is in agreement with the Staff recommendation. (Final Joint Staff Memorandum filed November 22, 2002; Executive Secretary's letter dated November 22, 2002; case file generally).

CONCLUSION OF LAW

Since Gasco has given proper notice of its requested increased purchased gas increment, with no protests having been filed in response thereto, and since Commission Staff has reviewed Gasco's

application and recommended final approval of the interim purchased gas increment, it is reasonable to approve the purchased gas increment of \$7.6085 per Mcf for use by Gasco for all service rendered on and after the date that this order becomes final.

ORDER

IT IS, THEREFORE, ORDERED that the purchased gas increment of \$7.6085 per Mcf, including B&O taxes, be, and it hereby is, approved for use by Gasco Distribution Systems, Inc., for all service rendered by it on and after the date that this order becomes final.

IT IS FURTHER ORDERED that, if necessary to reflect that the interim rate is now the final rate, Gasco shall, within thirty (30) days after the date of this order, file an original and five (5) copies of its revised tariff sheets, reflecting the approved purchased gas increment. Such revised tariff sheets shall be effective for all service rendered on and after November 1, 2002, or on a monthly basis for the Company's billing cycle commencing with its December 2002 billings, at the Company's election. The election shall be in writing and shall accompany the revised tariff sheets. The tariff sheets shall contain the following language:

The above rates include a purchased gas cost of \$7.6085 per Mcf.

The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this order is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served said exceptions.

If no exceptions are so filed this order shall become the order of the Commission, without further action or order, five (5) days following the expiration of the aforesaid fifteen (15) day time period, unless it is ordered stayed or postponed by the Commission.

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's Order by filing an appropriate petition in writing with the Secretary. No such waiver will be effective until approved by order of the Commission, nor shall any such waiver operate to make any Administrative Law Judge's Order or Decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.

Melissa K. Marland
Chief Administrative Law Judge

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