

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	
FILING OF BEECH GROVE WATER)	CASE NO. 2012-00062
SYSTEM)	

O R D E R

On February 24, 2012, Beech Grove Water System ("Beech Grove") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Beech Grove purchases water from the city of Henderson ("Henderson").
2. Henderson's rate to Beech Grove is a four-step, declining block rate design. Henderson notified Beech Grove that Henderson's wholesale water rate to Beech Grove would increase effective with its March 1, 2012 billing. Henderson's declining block rate increase is as follows:

		BASE RATE	CHANGED RATE
FIRST	4,000,000	\$ 3.02	\$ 3.19
NEXT	1,000,000	2.82	2.98
NEXT	1,000,000	2.54	2.68
OVER	6,000,000	2.27	2.40

¹ KRS 278.012; 807 KAR 5:068.

Beech Grove proposes to increase the water rates to its customers effective April 1, 2012.

3. During the 12 months ending June 30, 2011, Beech Grove purchased a total of 55,060,803 gallons of water from Henderson and sold 47,839,071 gallons. The increase in the cost of purchased water is \$9,235.07, resulting in a purchased water adjustment of \$0.20 per 1,000 gallons.

4. The purchased water adjustment of \$0.20 per 1,000 gallons is fair, just, and reasonable and should be approved.

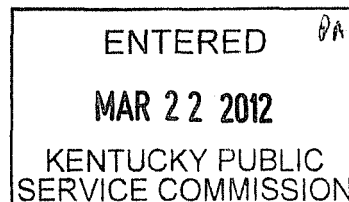
IT IS THEREFORE ORDERED that:

1. The rates proposed by Beech Grove are approved.
2. The purchased water adjustment of \$0.20 per 1,000 gallons as calculated in Appendix A is approved.

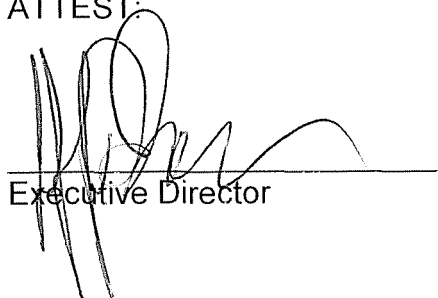
3. The rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after April 1, 2012.

4. The tariff sheets filed by Beech Grove are approved.

By the Commission



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
 COMMISSION IN CASE NO. 2012-00062 DATED **MAR 22 2012**

BASE RATES

		BILLS	GALLONS	RATE	REVENUE
FIRST	4,000,000	12	46,941,969	\$3.02	\$141,764.75
NEXT	1,000,000		5,914,904	2.82	16,680.03
NEXT	1,000,000		2,203,930	2.54	5,597.98
OVER	6,000,000		0	2.27	0.00
TOTAL		12	55,060,803		\$164,042.76

CHANGED RATES

		BILLS	GALLONS	RATE	REVENUE
FIRST	4,000,000	12	46,941,969	\$3.19	\$149,744.88
NEXT	1,000,000		5,914,904	2.98	17,626.41
NEXT	1,000,000		2,203,930	2.68	5,906.53
OVER	6,000,000		0	2.40	0.00
TOTAL		12	55,060,803		\$173,277.82

Increased water cost \$9,235.06

Increased water cost	\$	9,235.06
Divided by gallons sold		<u>47,839,071</u>
Purchased water adjustment factor		\$0.20 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00062 DATED **MAR 22 2012**

The following rates and charges are prescribed for the customers in the area served by Beech Grove Water System. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	2,000 gallons	\$ 18.02	Minimum Bill
Next	98,000 gallons	5.82	per 1,000 gallons
Over	100,000 gallons	4.92	per 1,000 gallons

Keith Stratton
President
Beech Grove Water System, Inc.
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