

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	CASE NO.
FILING OF MCKINNEY WATER DISTRICT)	2013-00341

ORDER

On September 16, 2013, McKinney Water District ("McKinney") 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. McKinney purchases water from the cities of Stanford ("Stanford") and Eubank ("Eubank").
2. On September 1, 2013, Stanford increased its wholesale water volumetric rate to McKinney from \$2.04 per 1,000 gallons to \$2.49 per 1,000 gallons.²
3. On September 14, 2013, McKinney adjusted its rates to reflect the increase in its cost of purchased water.
4. During the 12 months ended July 31, 2013, McKinney purchased 85,395,000 gallons of water from Stanford and 25,288,700 gallons of water from Eubank. It sold 89,097,600 gallons of water during the same period.
5. McKinney's adjusted rates are based upon a purchased water adjustment factor of \$0.43 per 1,000 gallons.

¹ KRS 278.015; 807 KAR 5:068.

² TFS 2013-00562 (Ky. PSC filed July 31, 2013); Letter from Dennis Brent Kirtley, Manager, Public Service Commission, to Ryan Owens, General Manager, City of Stanford Waterworks (Aug. 30, 2013).

6. McKinney incorrectly calculated the purchased water factor. A purchased water adjustment factor of \$0.44, as calculated in Appendix B to this Order, is the correct factor.

7. A purchased water adjustment factor of \$0.44 per 1,000 gallons is fair, just, and reasonable and should be approved.

8. The rates set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for water service that McKinney renders on and after September 14, 2013.

IT IS THEREFORE ORDERED that:

1. McKinney's proposed rates are denied.
2. The purchased water adjustment factor of \$0.44 per 1,000 gallons is approved.
3. The rates set forth in Appendix B are approved for water service that McKinney renders on or after September 14, 2013.
4. Within 20 days of the date of this Order, McKinney shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the approved rates and an effective date of September 14, 2013.

By the Commission

ENTERED
OCT 03 2013
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

Stephanie Bell for JP
Executive Director

Case No. 2013-00341

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2013-00341 DATED **OCT 03 2013**

	New Rate	Base Rate
Stanford		
Purchases in gallons	85,395,000	85,395,000
Volumetric rate	<u>\$ 2.49/1,000</u>	<u>\$ 2.04/1,000</u>
	\$212,633.55	\$174,205.80
Eubank		
Purchases in gallons	25,288,700	25,288,700
Volumetric rate	<u>NO CHANGE</u>	<u>NO CHANGE</u>
Increased water cost		\$38,427.75
Increased water cost		\$38,427.75
Divided by gallons sold/1,000		<u>89,097,600</u>
Purchased water adjustment factor		\$0.43129
		or \$0.44 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2013-00341 DATED **OCT 03 2013**

The following rates and charges are prescribed for the customers in the area served by McKinney Water District. 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 Volume Rates

5/8" Meter

First	1,000 Gallons	\$13.02	Minimum Bill
Next	2,000 Gallons	7.81	Per 1,000 Gallons
Next	7,000 Gallons	6.48	Per 1,000 Gallons
All Over	10,000 Gallons	5.84	Per 1,000 Gallons

1" Meter

First	5,000 Gallons	\$41.60	Minimum Bill
Next	5,000 Gallons	6.48	Per 1,000 Gallons
All Over	10,000 Gallons	5.84	Per 1,000 Gallons

2" Meter

First	20,000 Gallons	\$132.40	Minimum Bill
All Over	20,000 Gallons	5.84	Per 1,000 Gallons

Nicki Bastin
Clerk
McKinney Water District
P. O. Box 7
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