

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF )	CASE NO.
EAST CLARK COUNTY WATER DISTRICT )	2014-00061

ORDER

On February 24, 2014, East Clark County Water District ("East Clark") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.<sup>1</sup>

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

1. East Clark purchases water from Winchester Municipal Utilities ("Winchester") and Kentucky-American Water Company ("Kentucky-American").

2. On January 16, 2014, Winchester increased the Kentucky River Authority Fee, a component of its wholesale rate to East Clark, from \$0.07 per 100 cubic feet ("cf") to \$0.19 per 100 cf.<sup>2</sup>

3. During the 12 months ended December 31, 2013, East Clark purchased 121,695,000 gallons (16,269,385 cf) of water from Winchester and 132,750 gallons (17,747.3 cf) of water from Kentucky-American. It sold 105,954,600 gallons (14,165,054 cf) of water during the same period.<sup>3</sup>

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<sup>1</sup> KRS 278.015; 807 KAR 5:068.

<sup>2</sup> TFS 2014-00039 (Ky. PSC filed Jan. 24, 2014); Letter from Dennis Brent Kirtley, Tariff Branch Manager, Public Service Commission, to Michael Flynn, Winchester Municipal Utilities (Feb. 10, 2014).

<sup>3</sup> Winchester's billing is in cubic feet (cf) and East Clark's billings are in gallons.

4. East Clark made an error in calculating the purchased water adjustment factor. The increase in the cost of purchased water is \$19,523.26, resulting in a purchased water adjustment factor of \$0.14 per 100 cf, or \$0.19 per 1,000 gallons.

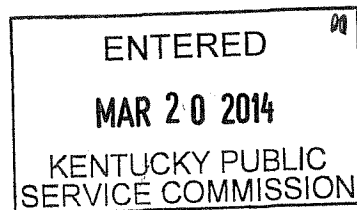
5. The purchased water adjustment of \$0.19 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

6. East Clark's proposed rates were calculated using the wrong purchase water factor and should be denied. The rates as set forth in Appendix B are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.19 per 1,000 gallons is approved.
2. East Clark's proposed rates are denied.
3. The rates in Appendix B of this Order are approved for water service rendered on or after March 20, 2014.
4. Within 20 days of the date of this Order, East Clark shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

By the Commission



ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2014-00061 DATED **MAR 20 2014**

	New Rate	Base Rate
Winchester		
Purchases in cf	16,269,385	16,269,385
Volumetric rate	No Change	No Change
KRA Fee rate	<u>\$0.19/100 cf</u>	<u>\$0.07/100 cf</u>
	\$30,911.83	\$11,388.57
Increased water cost		\$19,523.26
Increased water cost		\$19,523.26
Divided by cubic feet sold/100		14,165,054.5
Purchased water adjustment factor		\$0.13782 per 100 cubic feet or \$0.18426 per 1,000 gallons or \$0.19 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2014-00061 DATED **MAR 20 2014**

The following rates and charges are prescribed for the customers in the area served by East Clark 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 Water Rates

5/8- x 3/4-inch Meters

First	2,000 Gallons	\$25.86	Minimum Bill
Next	8,000 Gallons	10.68	per 1,000 Gallons
Next	40,000 Gallons	9.46	per 1,000 Gallons
Over	50,000 Gallons	8.24	per 1,000 Gallons

1-inch Meters

First	5,000 Gallons	\$57.90	Minimum Bill
Next	5,000 Gallons	10.68	per 1,000 Gallons
Next	40,000 Gallons	9.46	per 1,000 Gallons
Over	50,000 Gallons	8.24	per 1,000 Gallons

1 1/2-inch Meters

First	10,000 Gallons	\$111.30	Minimum Bill
Next	40,000 Gallons	9.46	per 1,000 Gallons
Over	50,000 Gallons	8.24	per 1,000 Gallons

2-inch Meters

First	20,000 Gallons	\$205.90	Minimum Bill
Next	30,000 Gallons	9.46	per 1,000 Gallons
Over	50,000 Gallons	8.24	per 1,000 Gallons

3-inch Meters

First	30,000 Gallons	\$300.50	Minimum Bill
Next	20,000 Gallons	9.46	per 1,000 Gallons
Over	50,000 Gallons	8.24	per 1,000 Gallons

4-inch Meters

First	50,000 Gallons	\$489.70	Minimum Bill
Over	50,000 Gallons	8.24	per 1,000 Gallons

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