

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF) CASE NO.
BEECH GROVE WATER SYSTEM) 2014-00085

ORDER

On March 28, 2014, Beech Grove Water System ("Beech Grove") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure¹.

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

1. Beech Grove purchases water from the city of Henderson ("Henderson") and West Daviess County Water District.

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, 2014 billing.² Henderson's declining block rate increase is as follows:

		BASE	CHANGED	
		RATE	RATE	
FIRST	4,000,000	\$3.22	\$3.25	per 1,000 gallons
NEXT	1,000,000	3.01	3.04	per 1,000 gallons
NEXT	1,000,000	2.71	2.74	per 1,000 gallons
OVER	6,000,000	2.43	2.45	per 1,000 gallons

¹ KRS 278.015; 807 KAR 5:068.

² TFS 2014-00018 (Ky. PSC Filed Jan. 10, 2014); Letter from Dennis Brent Kirtley, Tariff Branch Manager, Public Service Commission, to A. Leason Neal, Henderson Water Utility (Mar. 3, 2014).

3. During the 12 months ending December 31, 2013, Beech Grove purchased a total of 55,488,000 gallons of water, 54,031,000 of which were from Henderson, and sold 42,830,000 gallons. The increase in the cost of purchased water is \$1,620.93 resulting in a purchased water adjustment of \$0.04 per 1,000 gallons.

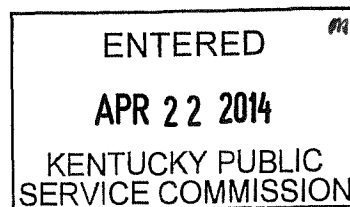
4. The purchased water adjustment of \$0.04 per 1,000 gallons is fair, just, and reasonable and should be approved.

5. Beech Grove's proposed rates, as set forth in Appendix B to this Order, are fair, just, and reasonable and should be approved for water service rendered on and after March 1, 2014.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.04 per 1,000 gallons is approved.
2. Beech Grove's proposed rates are approved.
3. The rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on or after March 1, 2014.
4. Within 20 days of the date of this Order, Beech Grove 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. 2014-00085 DATED **APR 22 2014**

		<u>BASE RATES</u>			
		<u>BILLS</u>	<u>GALLONS</u>	<u>RATE</u>	<u>REVENUE</u>
FIRST	4,000,000	12	46,216,900	\$3.22	\$148,818.42
NEXT	1,000,000		6,343,888	3.01	19,095.10
NEXT	1,000,000		1,470,212	2.71	3,984.27
OVER	6,000,000		0	2.43	0.00
TOTAL		12	54,031,000		\$171,897.80

		<u>CHANGED RATES</u>			
		<u>BILLS</u>	<u>GALLONS</u>	<u>RATE</u>	<u>REVENUE</u>
FIRST	4,000,000	12	46,216,900	\$3.25	\$150,204.93
NEXT	1,000,000		6,343,888	3.04	19,285.42
NEXT	1,000,000		1,470,212	2.74	4,028.38
OVER	6,000,000		0	2.45	0.00
TOTAL		12	54,031,000		\$173,518.73

Increased water cost	\$ 1,620.93
Divided by gallons sold / 1,000	<u>42,830,000</u>
	\$ 0.0378

Purchased water adjustment factor \$0.04 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2014-00085 DATED **APR 22 2014**

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	\$ 18.18	Minimum Bill
Next	98,000 gallons	5.90	per 1,000 gallons
Over	100,000 gallons	5.00	per 1,000 gallons
Bulk Loading Station		2.83	per 1,000 gallons

Sheila Murphy
Beech Grove Water System, Inc.
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