

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT) CASE NO.
OF LYON COUNTY WATER DISTRICT) 2015-00102

ORDER

On March 31, 2015, Lyon County Water District ("Lyon County") submitted an application for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

Lyon County included a copy of the Customer Notice and an Affidavit of Publication from the Herald Ledger indicating the Customer Notice was published on March 25, 2015. The Customer Notice incorrectly indicated that the Commission had already approved the adjustment in rates. Furthermore, the Customer Notice contains an incorrect dollar change for the minimum bill for the 1 1/2-inch meter. The correct dollar change is \$0.50, not \$0.80. The Customer Notice also contains the incorrect percentage change on each new rate.

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

1. No later than the issuance of the first bill at the increased rate, Lyon County should publish a revised Customer Notice in the format set forth in Appendix A to this Order.

¹ KRS 278.015; 807 KAR 5:068.

2. Lyon County purchases water from Crittenden-Livingston County Water District ("Crittenden-Livingston"), Princeton Water & Wastewater Department, Eddyville Water Department, Kuttawa Water & Gas, and Barkley Lake Water District.

3. On May 1, 2015, Crittenden-Livingston will increase its wholesale water rate to Lyon County from \$2.46 per 1,000 gallons to \$2.58 per 1,000 gallons.² Lyon County proposed to increase the water rates to its customers effective May 1, 2015, to reflect the increased cost of purchased water.

4. During the 12 months ended December 31, 2014, Lyon County purchased 117,313,111 gallons of water, 12,407,880 of which were purchased from Crittenden-Livingston. Lyon County sold 89,631,400 gallons of water during the same 12 months. The increase in the cost of purchased water is \$1,448.95, resulting in a purchased water adjustment factor of \$0.02 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.02 per 1,000 gallons, as calculated in Appendix B to this Order, is fair, just, and reasonable and should be approved.

6. The rates as set forth in Appendix C to this Order are fair, just, and reasonable and should be approved for water service rendered on and after May 1, 2015.

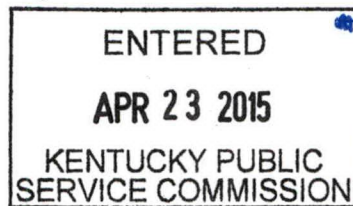
IT IS THEREFORE ORDERED that:

1. No later than the issuance of the first bill at the increased rate, Lyon County shall publish a revised Customer Notice in the format set forth in Appendix A.

² TFS 2013-00010 (Ky. PSC filed Jan. 2, 2013); The tariff was accepted for filing by the Commission by letter dated Apr. 1, 2013.

2. The purchased water adjustment factor of \$0.02 per 1,000 gallons is approved.
3. Lyon County's proposed rates are approved.
4. The rates set forth in Appendix C to this Order are approved for services rendered on and after May 1, 2015.
5. Within 20 days of the date of this Order, Lyon County 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. 2015-00102 DATED **APR 23 2015**

NOTICE

Due to an increase from its supplier, Lyon County Water District ("Lyon County") received approval from the Public Service Commission to adjust its rates for water service rendered on and after May 1, 2015.

<u>Monthly Rates</u>		<u>Prior Rates</u>	<u>New Rates</u>	<u>\$ Change</u>	<u>% Change</u>
5/8" x 3/4" Meter					
First	2,000 gallons (Minimum Bill)	\$19.98	\$20.02	\$0.04	0.20% Increase
Next	3,000 gallons (per 1,000 gallons)	8.48	8.50	0.02	0.24% Increase
Next	5,000 gallons (per 1,000 gallons)	6.45	6.47	0.02	0.31% Increase
Next	10,000 gallons (per 1,000 gallons)	4.42	4.44	0.02	0.45% Increase
Over	20,000 gallons (per 1,000 gallons)	3.92	3.94	0.02	0.51% Increase
1 Inch Meter					
First	15,000 gallons (Minimum Bill)	\$81.89	\$82.19	\$0.30	0.37% Increase
Next	5,000 gallons (per 1,000 gallons)	3.69	3.71	0.02	0.54% Increase
Over	20,000 gallons (per 1,000 gallons)	3.29	3.31	0.02	0.61% Increase
1 1/2 Inch Meter					
First	25,000 gallons (Minimum Bill)	\$116.75	\$117.25	\$0.50	0.43% Increase
Over	25,000 gallons (per 1,000 gallons)	3.29	3.31	0.02	0.61% Increase
2 Inch Meter					
First	45,000 gallons (Minimum Bill)	\$182.46	\$183.36	\$0.90	0.49% Increase
Over	45,000 gallons (per 1,000 gallons)	3.29	3.31	0.02	0.61% Increase
<u>Effect on Average Monthly Bill</u>		<u>Prior Average Bill</u>	<u>New Average Bill</u>	<u>\$ Change</u>	<u>% Change</u>
5/8" x 3/4" Meter	5,000 gallons	\$45.42	\$45.52	\$0.10	0.22% Increase
1 Inch Meter	16,000 gallons	85.58	85.90	0.32	0.37% Increase
1 1/2 Inch Meter	27,000 gallons	123.33	123.87	0.54	0.44% Increase
2 Inch Meter	46,000 gallons	185.75	186.67	0.92	0.50% Increase

A person may examine this application at Lyon County's office located at 5464 Hwy. 62 West in Kuttawa, Kentucky.

A person may also examine this application at the PSC located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m. or on the PSC website at <http://psc.ky.gov>; telephone (502) 564-3940.

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
 COMMISSION IN CASE NO. 2015-00102 DATED **APR 23 2015**

	New Rate	Base Rate
Crittenden-Livingston Purchases in gallons	12,407,880	12,407,880
Volumetric rate	<u>\$2.58/1,000</u>	<u>\$2.46/1,000</u>
	\$ 32,012.33	\$ 30,523.38

Increased water cost \$1,448.95

Increased water cost	\$ 1,448.95
Divided by gallons sold/1,000	<u>89,631,400</u>
	\$ 0.016

Purchased water adjustment factor \$0.02 per 1,000 gallons

APPENDIX C

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2015-00102 DATED **APR 23 2015**

The following rates and charges are prescribed for the customers in the area served by Lyon County 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 Meter

First	2,000 gallons	\$20.02	Minimum Bill
Next	3,000 gallons	8.50	per 1,000 gallons
Next	5,000 gallons	6.47	per 1,000 gallons
Next	10,000 gallons	4.44	per 1,000 gallons
Over	20,000 gallons	3.94	per 1,000 gallons

1-Inch Meter

First	15,000 gallons	\$82.19	Minimum Bill
Next	5,000 gallons	3.71	per 1,000 gallons
Over	20,000 gallons	3.31	per 1,000 gallons

1 1/2-Inch Meter

First	25,000 gallons	\$117.25	Minimum Bill
Over	25,000 gallons	3.31	per 1,000 gallons

2-Inch Meter

First	45,000 gallons	\$183.36	Minimum Bill
Over	45,000 gallons	3.31	per 1,000 gallons

*Lyon County Water District
5464 U. S. Highway 62 West
P. O. Box 489
Kuttawa, KY 42055

*Don Robertson
Chairman
Lyon County Water District
P. O. Box 489
Kuttawa, KY 42055