

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF PEAKS MILL WATER) CASE NO. 2012-00092
DISTRICT)

O R D E R

On March 12, 2012, Peaks Mill Water District ("Peaks Mill") 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. Peaks Mill purchases water from Frankfort Electric and Water Plant Board ("Frankfort") and Kentucky-American Water Company ("Kentucky American").
2. On April 1, 2012, Frankfort increased its wholesale water rate to Peaks Mill from \$1.81 per 1,000 gallons to \$1.91 per 1,000 gallons.²
3. During the 12 months ending February 28, 2012, Peaks Mill purchased a total of 85,817,500 gallons of water from Frankfort, 432,000 gallons of water from Kentucky American, and sold 58,740,700 gallons. The increase in the cost of purchased water is \$8,581.75 resulting in a purchased water adjustment of \$0.15 per 1,000 gallons.

¹ KRS 278.015; 807 KAR 5:068.

² Case No. 2010-00485, Proposed Adjustment of the Wholesale Water Service Rates of Frankfort Electric and Water Plant Board (Ky. PSC Mar. 16, 2011).

4. On April 1, 2012, Peaks Mill increased its water rates by \$0.15 per 1,000 gallons. This increase is commensurate with the increase in its wholesale supplier's wholesale rate.³

5. Peaks Mill's proposed rates are fair, just and reasonable and should be approved.

6. The purchased water adjustment of \$0.15 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. Peaks Mill's proposed rates are approved.

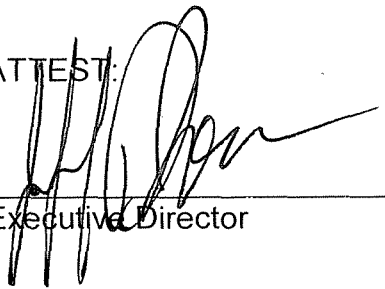
2. The purchased water adjustment of \$0.15 per 1,000 gallons as calculated in Appendix A is approved.

3. The rates in Appendix B are approved for service that Peaks Mill renders on and after April 1, 2012.

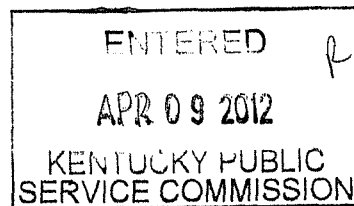
4. The tariff sheet filed by Peaks Mill with its application is approved as filed.

By the Commission

ATTEST:



Executive Director



³ On March 15, 2012, Peaks Mill's Board of Commissioners adopted a resolution to increase its rates to reflect the increase in wholesale rates.

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00092 DATED **APR 09 2012**

	New Rate	Base Rate	
Peaks Mill Water			
Purchases in gallons	85,817,500	85,817,500	
Volumetric rate	<u>\$ 1.91/1,000</u>	<u>\$ 1.81/1,000</u>	
	\$163,911.43	\$155,329.68	
		Increased water cost	\$8,581.75
Increased water cost		\$ 8,581.75	
Divided by gallons sold		<u>58,740,700</u>	
Purchased water adjustment factor		\$0.15 per 1,000 gallons	

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2012-00092 DATED **APR 09 2012**

The following rates and charges are prescribed for the customers in the area served by Peaks Mill 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 Rates

5/8" X 3/4" Meters

First	2,000 Gallons	\$20.43 Minimum Bill
Next	3,000 Gallons	6.80 Per 1,000 Gallons
Next	5,000 Gallons	5.58 Per 1,000 Gallons
Over	10,000 Gallons	4.97 Per 1,000 Gallons

Church Quarles
Peaks Mill Water District
7165 US 127 North
Frankfort, KY 40601