### COMMONWEALTH OF KENTUCKY

#### BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILLING OF ) CASE NO. 2013-00058 BEECH GROVE WATER SYSTEM )

# ORDER

On February 12, 2013, Beech Grove Water System ("Beech Grove") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.<sup>1</sup>

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

- Beech Grove purchases its water from the city of Henderson, Kentucky ("Henderson").
- 2. Henderson currently uses a four-step, declining block water rate schedule for its wholesale water sales to Beech Grove.
- 3. On March 1, 2013, Henderson adjusted its rates for wholesale water service to Beech Grove and increased by \$0.03 the charge for each rate block in the existing rate schedule.
- 4. Beech Grove proposes to adjust its rates for water service to its customer on April 1, 2013 to reflect the increase in its cost of purchased water.
- 5. During the 12 months ending December 31, 2012, Beech Grove purchased 54,972,138 gallons of water from Henderson and sold 50,136,650 gallons of water.

<sup>&</sup>lt;sup>1</sup> KRS 278.012; 807 KAR 5:068.

- 6. The increase in Henderson's wholesale rate for water service will increase Beech Grove's annual cost of purchased water by \$1,710.99.
- 7. As shown in Appendix A to this Order, a purchased water adjustment of \$0.04 per 1,000 gallons is necessary for Beech Grove to recover the increased purchased water cost.
- 8. Beech Grove's proposed purchased water adjustment of \$0.04 per 1,000 gallons is fair, just, and reasonable and should be approved.
- 9. Beech Grove's proposed rates, which are set forth in Appendix B to this Order, reflect the application of a purchased water adjustment factor of \$0.04 per 1,000 gallons, are fair, just and reasonable, and should be approved.

#### IT IS THEREFORE ORDERED that:

- 1. Beech Grove's proposed purchased water adjustment of \$0.04 per 1,000 gallons is approved.
- 2. Beech Grove's proposed rates are approved for service rendered on and after April 1, 2013.
- 3. Beech Grove's tariff sheet, which was submitted with Beech Grove's application, is approved as filed.

By the Commission

**ENTERED** 

MAR 0 8 2013

KENTUCKY PUBLIC SERVICE COMMISSION

ATTEST.

Executive Director

# APPENDIX A

# APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2013-00058 DATED MAR 0 8 2013

		BASE RATES			
		BILLS	GALLONS	RATE	REVENUE
FIRST	4,000,000	12	46,798,198	\$3.19	\$149,286.25
NEXT	1,000,000		5,895,093	2.98	17,567.38
NEXT	1,000,000		1,803,289	2.68	4,832.81
OVER	6,000,000		475,558	2.40	1,079.52
TOTAL		12	54,972,138		\$172,765.96
		CHANGED RATES			
		BILLS	GALLONS	RATE	REVENUE
FIRST	4,000,000	12	46,798,198	\$3.22	\$150,690.20
NEXT	1,000,000		5,895,093	3.01	17,744.23
NEXT	1,000,000		1,803,289	2.71	4,886.91
OVER	6,000,000		475,558	2.43	1,155.61

12

Increased water cost \$1,710.99

TOTAL

Increased water cost
Divided by gallons sold / 1,000

\$ 1,710.99 50,136,650 0.03412

54,972,138

\$174,476.95

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. 2013-00058 DATED MAR 0 8 2013

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	
Next	98,000	gallons	
Over	100,000	gallons	

**Bulk Loading Station** 

\$ 18.10 Minimum Bill5.86 per 1,000 gallons4.96 per 1,000 gallons

2.79 per 1,000 gallons

Sheila Murphy Beech Grove Water System, Inc. 445 State Route 56 North Calhoun, KY 42327-9597