

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|                                  |   |            |
|----------------------------------|---|------------|
| PURCHASED WATER ADJUSTMENT       | ) | CASE NO.   |
| FILING OF U.S. 60 WATER DISTRICT | ) | 2014-00412 |

ORDER

On November 25, 2014, U.S. 60 Water District ("U.S. 60") submitted an application 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. U.S. 60 purchases water from the Frankfort Electric and Water Plant Board ("Frankfort").

2. On November 12, 2014, Frankfort increased its wholesale water rate to U.S. 60 from \$2.01 per 1,000 gallons to \$2.25 per 1,000 gallons.<sup>2</sup> U.S. 60 proposed to increase the water rates to reflect the increased cost of purchased water effective November 12, 2014.

3. During the 12 months ended August 31, 2014, U.S. 60 purchased 174,800,400 gallons of water from Frankfort and sold 142,983,790 gallons of water during the same 12 months. The increase in the cost of purchased water is \$41,952.10 resulting in a purchased water adjustment factor of \$0.29 per 1,000 gallons.

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

<sup>2</sup> Case No. 2014-00254, Proposed Adjustment of the Wholesale Water Service Rates of Frankfort Electric and Water Plant Board (Ky. PSC Nov. 12, 2014).

4. The purchased water adjustment of \$0.29 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

5. U.S. 60 misapplied the purchased water adjustment factor of \$0.29 to its current rates and, therefore, should be denied.

6. The 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 November 12, 2014.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.29 per 1,000 gallons is approved.
2. U.S. 60's proposed rates are denied.
3. The rates set forth in Appendix B to this Order are approved for services rendered on and after November 12, 2014.

4. Within 20 days of the date of this Order, U.S. 60 shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

By the Commission

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|---|
| ENTERED<br>DEC 19 2014<br>KENTUCKY PUBLIC<br>SERVICE COMMISSION |
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ATTEST:

  
\_\_\_\_\_  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2014-00412 DATED **DEC 19 2014**

|                                   | New Rate                 | Base Rate            |
|-----------------------------------|--------------------------|----------------------|
| U.S. 60                           |                          |                      |
| Purchases in gallons              | 174,800,400              | 174,800,400          |
| Volumetric rate                   | <u>\$ 2.25/1,000</u>     | <u>\$ 2.01/1,000</u> |
|                                   | \$ 393,300.90            | \$351,348.80         |
|                                   | Increased water cost     | \$41,952.10          |
| Increased water cost              | \$ 41,952.10             |                      |
| Divided by gallons sold/1,000     | <u>142,983,790</u>       |                      |
|                                   | \$ 0.2934                |                      |
| Purchased water adjustment factor | \$0.29 per 1,000 gallons |                      |

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2014-00412 DATED **DEC 19 2014**

The following rates and charges are prescribed for the customers in the area served by U.S. 60 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-Inch Meters

|       |               |    |                        |
|-------|---------------|----|------------------------|
| First | 1,000 Gallons | \$ | 13.89 Minimum Bill     |
| Next  | 2,000 Gallons |    | 7.44 Per 1,000 Gallons |
| Next  | 2,000 Gallons |    | 6.18 Per 1,000 Gallons |
| Over  | 5,000 Gallons |    | 5.57 Per 1,000 Gallons |

##### 1-Inch Meters

|       |               |    |                        |
|-------|---------------|----|------------------------|
| First | 5,000 Gallons | \$ | 41.13 Minimum Bill     |
| Over  | 5,000 Gallons |    | 5.57 Per 1,000 Gallons |

##### 2-Inch Meters

|       |                |    |                        |
|-------|----------------|----|------------------------|
| First | 25,000 Gallons | \$ | 152.53 Minimum Bill    |
| Over  | 25,000 Gallons |    | 5.57 Per 1,000 Gallons |

##### Bulk User Rate

|       |               |    |                        |
|-------|---------------|----|------------------------|
| First | 1,000 Gallons | \$ | 3.73 Minimum Bill      |
| Over  | 1,000 Gallons |    | 3.73 Per 1,000 Gallons |

##### Wholesale Water Rates

|       |                |    |                        |
|-------|----------------|----|------------------------|
| First | 25,000 Gallons | \$ | 152.53 Minimum Bill    |
| Over  | 25,000 Gallons |    | 5.57 Per 1,000 Gallons |

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