

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF)	CASE NO.
BEECH GROVE WATER SYSTEM, INC.)	2017-00056

ORDER

On January 31, 2017, Beech Grove Water System, Inc. (“Beech Grove”) 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. Beech Grove purchases water from Henderson Water Utility (“Henderson”) and West Daviess County Water District.

2. Henderson notified Beech Grove that, effective March 1, 2017, Henderson’s wholesale rate to Beech Grove would increase from \$2.3816 per 1,000 gallons to \$2.5222 per 1,000 gallons.² Beech Grove proposes to increase the water rates to its customers effective March 1, 2017, to reflect the increased cost of purchased water.

3. Beech Grove proposes a purchased water adjustment factor of \$0.18 per 1,000 gallons.

¹ KRS 278.015; 807 KAR 5:068.

² TFS 2017-00012 (Ky. PSC filed Jan 9, 2017); The tariff was accepted for filing by the Commission by letter dated Feb 23, 2017.

4. During the 12 months ended December 31, 2016, Beech Grove purchased 74,781,621 gallons of water from Henderson. During the same period, Beech Grove sold 60,873,504 gallons of water. The increase in the cost of purchased water is \$10,514.30, resulting in a purchased water adjustment factor of \$0.18 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.18 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

6. 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 by Beech Grove on and after March 1, 2017.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.18 per 1,000 gallons is approved.

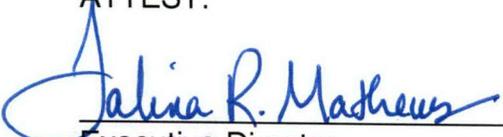
2. Beech Grove's proposed rates as set forth in Appendix B to this Order are approved for water service rendered by Beech Grove on and after March 1, 2017.

3. 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

ENTERED
FEB 23 2017
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
 COMMISSION IN CASE NO. 2017-00056 DATED **FEB 23 2017**

	New Rate	Base Rate
Henderson		
Purchases in gallons	74,781,621	74,781,621
Volumetric rate	<u>\$ 2.5222/1,000</u>	<u>\$ 2.3816/1,000</u>
	\$ 188,614.20	\$ 178,099.91
West Daviess		
Purchases in gallons	4,546,000	4,546,000
Volumetric rate	<u>No Change</u>	<u>No Change</u>

Increased water cost \$10,514.29

Increased water cost \$ 10,514.29
 Divided by gallons sold/1,000 60,873,504
 Purchased water adjustment factor \$ 0.1727

or \$ 0.18 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2017-00056 DATED **FEB 23 2017**

The following rates and charges are prescribed for the customers in the area served by Beech Grove Water System, Inc. 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	\$ 16.72	Minimum Bill
Next 98,000 gallons	5.17	per 1,000 gallons
Over 100,000 gallons	4.27	per 1,000 gallons
Bulk Loading Station	2.10	per 1,000 gallons

*Beech Grove Water System, Inc.
445 State Route 56 North
Calhoun, KY 42327

*Nathan Ward
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