

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF	)	CASE NO.
KIRKSVILLE WATER ASSOCIATION	)	2018-00191

ORDER

On June 12, 2018, Kirksville Water Association (“Kirksville”) applied 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. Kirksville purchases water from Richmond Utilities (“Richmond”).
2. Richmond notified Kirksville that its wholesale volumetric water rate would increase from \$2.38391 per 100 cubic feet to \$2.43398 per 100 cubic feet and the Kentucky River Authority Fee would increase from \$0.13400 per 100 cubic feet to \$0.23200 per 100 cubic feet effective July 1, 2018.<sup>2</sup> Kirksville proposes to increase the water rates to its customers effective July 1, 2018, to reflect the increased cost of purchased water from Richmond.
3. Kirksville proposed a purchased water adjustment factor of \$0.23 per 1,000 gallons in its application.

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

<sup>2</sup> TFS 2018-00206 (Ky. PSC filed May 2, 2018); the tariff was accepted for filing by the Commission by letter dated June 13, 2018.

4. During the 12 months ended March 31, 2018, Kirksville purchased 107,587,094 gallons of water from Richmond. During the same period, Kirksville sold 93,414,520 gallons of water. The increase in the cost of purchased water is \$21,297.34, resulting in a purchased water adjustment factor of \$0.23 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.23 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just and reasonable, and should be approved.

6. Kirksville's proposed rates should be approved.

7. The rates as set forth in Appendix B to this Order, are fair, just and reasonable, and should be approved for water service rendered by Kirksville on and after July 1, 2018.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.23 per 1,000 gallons is approved.

2. The rates proposed by Kirksville are approved.

3. The rates as set forth in Appendix B to this Order are approved for water service rendered by Kirksville on and after July 1, 2018.

4. Within 20 days of the date of entry of this Order, Kirksville 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  
JUL 05 2018  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2018-00191 DATED **JUL 05 2018**

	New Rate	Base Rate
Richmond		
Purchases in cubic feet <sup>3</sup>	14,383,301	14,383,301
Volumetric rate	<u>\$ 2.66598/100</u>	<u>\$ 2.51791/100</u>
	\$ 383,455.93	\$ 362,158.57
Increased water cost		\$ 21,297.36
Increased water cost		\$ 21,297.36
Divided by gallons sold/1,000		<u>93,414,520</u>
Purchased water adjustment factor		\$ 0.228 per 1,000 Gallons
		or \$ 0.23 per 1,000 Gallons

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<sup>3</sup>Richmond purchases in gallons=107,587,094 divided by a factor of 7.48 (1 Cubic Feet = 7.480519 Gallons)

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2018-00191 DATED **JUL 05 2018**

The following rates and charges are prescribed for the customers in the area served by Kirksville Water Association. 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	\$ 20.05 Minimum Bill
Next	3,000 Gallons	9.67 per 1,000 Gallons
Next	5,000 Gallons	8.20 per 1,000 Gallons
Over	10,000 Gallons	6.98 per 1,000 Gallons

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