

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
BRACKEN COUNTY WATER DISTRICT) CASE NO. 2000-096

O R D E R

On March 1, 2000, Bracken County Water District ("Bracken County") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

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

1. Bracken County purchases its water from Augusta Regional Water Treatment Plant ("Augusta").
2. Augusta increased the wholesale water rate charged to Bracken County from \$1.21 per 1,000 gallons to \$1.30 per 1,000 gallons purchased, effective February 14, 2000. In addition to this increase, pursuant to the Commission's Order in Case No. 98-497,¹ Bracken County will be charged a surcharge of \$0.33 per 1,000 gallons until \$114,383 is paid to Augusta.
3. During the 12 months ending December 31, 1999, Bracken County purchased a total of 173,958,300 gallons of water and sold 161,641,700 gallons.

¹ Case No. 98-497, Proposed Adjustment of the Wholesale Water Service Rates of The City of Augusta, Kentucky, (February 14, 2000).

4. Bracken County incorrectly calculated the effects of Augusta's rate adjustment by including the \$0.33 surcharge in its calculations. Bracken County calculated that Augusta's rate adjustment would increase its cost of purchased water by \$73,062 and result in a purchased water adjustment of \$0.45. However, the \$0.33 surcharge is temporary and should not be included in the base rate but should be allowed as a separate adjustment to Bracken County's purchased water expense. The increase in the cost of purchased water to the base rate is \$15,656.25, resulting in a purchased water adjustment of \$0.10 per 1,000 gallons of water. Based on a monthly usage of 5,000 gallons, the average bill of a Bracken County customer, excluding surcharges, would increase \$0.50 from \$18.40 to \$18.90 or 2.7 percent.

5. The purchased water adjustment of \$0.10 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

6. The surcharge of \$0.33 per 1,000 gallons should be approved and assessed by Bracken County until it has collected \$114,383.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.10 per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after February 14, 2000.

2. The surcharge of \$0.33 per 1,000 gallons is approved for services rendered on and after February 14, 2000 and shall be assessed until \$114,383 is collected.

3. Bracken County's proposed rates are hereby denied.

4. Within 20 days from the date of this Order, Bracken County shall file with the Commission revised tariff sheets showing the rates approved herein.

5. Bracken County shall notify its customers of the approved rate adjustment no later than the rendering of the first bill at the increased rate.

6. Within 20 days of the date of this Order, Bracken County shall file with the Commission a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 31st day of March, 2000.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2000-096 DATED MARCH 31, 2000

The following rates and charges are prescribed for the customers in the area served by Bracken County 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 Water Rates

First	2,000 gallons	\$9.00	Minimum bill
Over	2,000 gallons	3.30	per 1,000 gallons

Surcharge Division 1	\$6.57
Surcharge Division 2	\$3.45

<u>Wholesale Division 1</u>	
(Applicable to Brooksville)	\$2.69 per 1,000 gallons
Surcharge	\$0.46 per 1,000 gallons

<u>Bulk Sales</u>	
(Loading Station Division 1)	\$4.72 per 1,000 gallons

In addition, a surcharge of \$0.33 per 1,000 gallons will be charged to all customers until Bracken County has collected \$114,383.