

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
OF BIG SANDY WATER DISTRICT) CASE NO. 2008-00434

ORDER

On October 8, 2008, Big Sandy Water District ("Big Sandy") 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. Big Sandy purchases water from the city of Louisa ("Louisa"), city of Kenova ("Kenova"), Rattlesnake Ridge Water District ("Rattlesnake Ridge") and the Cannonsburg Water District ("Cannonsburg").

2. Louisa notified Big Sandy that, effective July 23, 2008, its wholesale rate to Big Sandy would increase from \$2.20 per 1,000 gallons to \$2.32 per 1,000 gallons.

3. Big Sandy proposed a purchased water adjustment factor of \$0.05 per 1,000 gallons.

4. On October 15, 2008, Big Sandy amended its application to correct an error regarding the amount of gallons purchased by Big Sandy from Louisa. The corrected purchases result in a decrease to the proposed purchased water adjustment factor.

¹ KRS 278.015 and 807 KAR 5:068.

5. Big Sandy proposed an effective date of November 1, 2008. As KRS 278.180(1) requires a utility to provide 30 days' notice to the Commission of any proposed rate adjustment, and as Big Sandy failed to provide such notice, the proposed adjustment cannot become effective on November 1, 2008.

6. During the 12 months ended September 30, 2008, Big Sandy purchased 77,265,100 gallons of water from Louisa, 211,828,000 gallons from Kenova, 4,078,300 gallons from Rattlesnake Ridge, and 58,816,000 gallons from Cannonsburg, and it sold 256,152,400 gallons. The increase in the cost of purchased water is \$9,271.81, resulting in a purchased water adjustment factor of \$0.04 per 1,000 gallons.

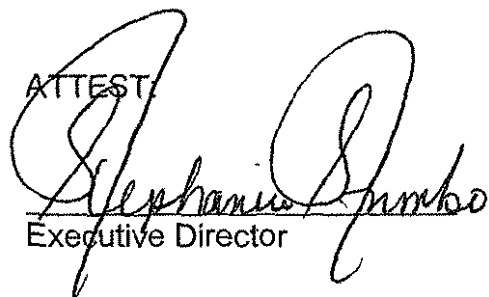
7. The purchased water adjustment factor of \$0.04 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. Big Sandy's proposed rates are denied.
2. The purchased water adjustment factor of \$0.04 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B are fair, just, and reasonable and are approved for services on or after November 7, 2008.
4. Within 20 days of the date of this Order, Big Sandy shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 30th day of October, 2008.

By the Commission

ATTEST

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00434 DATED OCTOBER 30, 2008

	New Rate	Base Rate
Louisa		
Purchases in gallons	77,265,100	77,265,100
Volumetric rate	<u>\$ 2.32 /1,000</u>	<u>\$ 2.20/1,000</u>
	\$179,255.03	\$169,983.22
Kenova	no change	
Rattlesnake Ridge	no change	
Cannonsburg	no change	
	Increased water cost	\$ 9,271.81
Increased water cost		\$9,271.81
Divided by gallons sold		256,152,400
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. 2008-00434 DATED OCTOBER 30, 2008

The following rates and charges are prescribed for the customers in the area served by Big Sandy 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

5/8 x 3/4-Inch Meter

First	2,000 gallons	\$16.22	Minimum Bill
Next	8,000 gallons	6.21	per 1,000 gallons
Next	20,000 gallons	5.08	per 1,000 gallons
Next	20,000 gallons	4.32	per 1,000 gallons
Over	50,000 gallons	3.56	per 1,000 gallons

1-Inch Meter

First	10,000 gallons	\$65.90	Minimum Bill
Next	20,000 gallons	5.08	per 1,000 gallons
Next	20,000 gallons	4.32	per 1,000 gallons
Over	50,000 gallons	3.56	per 1,000 gallons

1 – 1/2-Inch Meter

First	30,000 gallons	\$167.50	Minimum Bill
Next	20,000 gallons	4.32	per 1,000 gallons
Over	50,000 gallons	3.56	per 1,000 gallons

2-Inch Meter

First	50,000 gallons	\$253.90	Minimum Bill
Over	50,000 gallons	3.56	per 1,000 gallons

3-Inch Meter

First	100,000 gallons	\$431.90	Minimum Bill
Over	100,000 gallons	3.56	per 1,000 gallons

4-Inch Meter

First	200,000 gallons	\$787.90	Minimum Bill
Over	200,000 gallons	3.56	per 1,000 gallons

Wholesale volumetric rate

Overland Development, Inc.	\$1.29	per 1,000 gallons
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Cannonsburg Water District	\$1.95	per 1,000 gallons
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