

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	CASE NO.
OF BIG SANDY WATER DISTRICT)	2008-00487

ORDER

On November 25, 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, West Virginia ("Kenova"), Rattlesnake Ridge Water District ("Rattlesnake Ridge") and the Cannonsburg Water District ("Cannonsburg").

2. Kenova notified Big Sandy that, effective November 13, 2008 its wholesale rate to Big Sandy would increase from \$1.49 per 1,000 gallons to \$1.61 per 1,000 gallons.

3. Big Sandy proposed a purchased water adjustment factor of \$0.10 per 1,000 gallons.

4. Big Sandy proposed an effective date of January 1, 2009.

¹ KRS 278.015 and 807 KAR 5:068.

5. During the 12 months ended October 31, 2008, Big Sandy purchased 74,992,700 gallons of water from Louisa, 209,214,000 gallons from Kenova, 4,077,690 gallons from Rattlesnake Ridge, 60,604,000 gallons from Cannonsburg, and it sold 254,845,200 gallons. The increase in the cost of purchased water is \$25,105.68, resulting in a purchased water adjustment factor of \$0.10 per 1,000 gallons.

6. The purchased water adjustment factor of \$0.10 per 1,000 gallons is fair, just, and reasonable and should be approved.

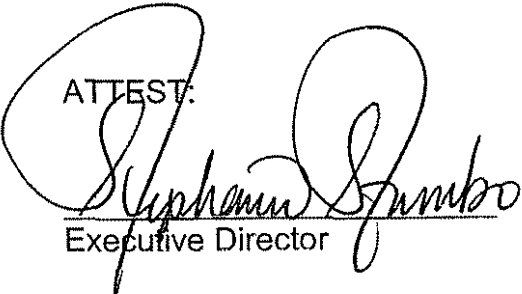
IT IS THEREFORE ORDERED that:

1. The rates proposed by Big Sandy are approved.
2. The purchased water adjustment factor of \$0.10 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services on or after January 1, 2009.
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 18th day of December, 2008.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00487 DATED DECEMBER 18, 2008

	New Rate	Base Rate
Kenova		
Purchases in gallons	209,214,000	209,214,000
Volumetric rate	<u>\$ 1.61 /1,000</u>	<u>\$ 1.49/1,000</u>
	\$336,834.54	\$311,728.86
Louisa	no change	
Rattlesnake Ridge	no change	
Cannonsburg	no change	
	Increased water cost	\$ 25,105.68
Increased water cost		\$25,105.68
Divided by gallons sold		<u>254,845,200</u>
Purchased water adjustment factor		\$0.10 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00487 DATED DECEMBER 18, 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	\$16.42	Minimum Bill
Next	8,000 gallons	6.31	per 1,000 gallons
Next	20,000 gallons	5.18	per 1,000 gallons
Next	20,000 gallons	4.42	per 1,000 gallons
Over	50,000 gallons	3.66	per 1,000 gallons

1 Inch Meter

First	10,000 gallons	\$66.90	Minimum Bill
Next	20,000 gallons	5.18	per 1,000 gallons
Next	20,000 gallons	4.42	per 1,000 gallons
Over	50,000 gallons	3.66	per 1,000 gallons

1 – 1/2 Inch Meter

First	30,000 gallons	\$170.50	Minimum Bill
Next	20,000 gallons	4.42	per 1,000 gallons
Over	50,000 gallons	3.66	per 1,000 gallons

2 Inch Meter

First	50,000 gallons	\$258.90	Minimum Bill
Over	50,000 gallons	3.66	per 1,000 gallons

3 Inch Meter

First	100,000 gallons	\$441.90	Minimum Bill
Over	100,000 gallons	3.66	per 1,000 gallons

4 Inch Meter

First	200,000 gallons	\$807.90	Minimum Bill
Over	200,000 gallons	3.66	per 1,000 gallons

Wholesale volumetric rate

Overland Development Inc.	\$1.39	per 1,000 gallons
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Cannonsburg Water District	\$2.05	per 1,000 gallons
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Mr. Jimmy Blanton
Superintendent
Big Sandy Water District
18200 Kentucky Route #3
Catlettsburg, KY 41129