

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT	)	CASE NO.
OF CANNONSBURG WATER DISTRICT	)	2009-00133

ORDER

On March 31, 2009, Cannonsburg Water District (“Cannonsburg”) 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. Cannonsburg purchases water from the City of Ashland (“Ashland”) and Big Sandy Water District (“Big Sandy”).

2. Ashland notified Cannonsburg that, effective March 1, 2009, its wholesale rate to Cannonsburg would increase from \$1.43 per 1,000 gallons to \$1.89 per 1,000 gallons. On October 30, 2008<sup>2</sup> and on December 18, 2008,<sup>3</sup> the Commission authorized Big Sandy to adjust its wholesale rate to Cannonsburg to \$2.05 per 1,000 gallons, effective January 1, 2009.

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

<sup>2</sup> Case No. 2008-00434, Purchased Water Adjustment of Big Sandy Water District (Ky. PSC Oct. 30, 2008).

<sup>3</sup> Case No. 2008-00487, Purchased Water Adjustment of Big Sandy Water District (Ky. PSC Dec. 12, 2008).

3. Cannonsburg proposed a purchased water adjustment factor of \$0.58 per 1,000 gallons.

4. Cannonsburg proposed an effective date of April 13, 2009.

5. In its application, Cannonsburg misstated the base rate and changed rate from Big Sandy. Big Sandy's changed wholesale rate to Cannonsburg is \$2.05 per 1,000 gallons, which became effective January 1, 2009. The base rate used to calculate Cannonsburg's purchased water adjustment is \$1.95 per 1,000 gallons.

6. During the 12 months ended November 31, 2008, Cannonsburg purchased 423,724,000 gallons of water from Ashland, 2,626,900 gallons from Big Sandy, and sold 336,061,200 gallons. The increase in the cost of purchased water is \$195,175.73, resulting in a purchased water adjustment factor of \$0.58 per 1,000 gallons.

7. The purchased water adjustment factor of \$0.58 per 1,000 gallons is fair, just, and reasonable and should be approved.

8. Cannonsburg's proposed tariff sheet, which was included in Cannonsburg's application, contained incorrect rates.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Cannonsburg are denied.

2. The purchased water adjustment factor of \$0.58 per 1,000 gallons as calculated in Appendix A is approved.

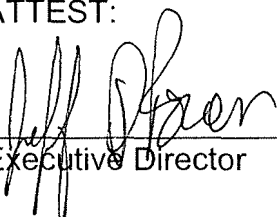
3. The rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for service rendered on or after April 13, 2009.

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

By the Commission

ENTERED  
APR 28 2009 *ml*  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
\_\_\_\_\_  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2009-00133 DATED **APR 28 2009**

	Changed Rate	Base Rate
Ashland		
Purchases in gallons	423,724,000	423,724,000
Volumetric rate	<u>\$ 1.89 /1,000</u>	<u>\$ 1.43/1,000</u>
	\$800,838.36	\$605,925.32
Big Sandy		
Purchases in gallons	2,626,900	2,626,900
Volumetric rate	<u>\$ 2.05 /1,000</u>	<u>\$ 1.95/1,000</u>
	\$5,385.15	\$5,122.46
	Increased water cost	\$ 195,175.73
Increased water cost		\$195,175.73
Divided by gallons sold		<u>336,061,200</u>
Purchased water adjustment factor		\$0.58 per 1,000 gallons

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2009-00133 DATED **APR 28 2009**

The following rates and charges are prescribed for the customers in the area served by Cannonsburg 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	\$16.24	Minimum Bill
Next	3,000 gallons	6.02	per 1,000 gallons
Next	15,000 gallons	5.64	per 1,000 gallons
Next	30,000 gallons	5.26	per 1,000 gallons
Next	50,000 gallons	4.89	per 1,000 gallons
Over	100,000 gallons	4.49	per 1,000 gallons

##### 1 1/2 Inch Meter

First	5,000 gallons	\$34.30	Minimum Bill
Next	15,000 gallons	5.64	per 1,000 gallons
Next	30,000 gallons	5.26	per 1,000 gallons
Next	50,000 gallons	4.89	per 1,000 gallons
Over	100,000 gallons	4.49	per 1,000 gallons

##### 2 Inch and 3 Inch Meters

First	20,000 gallons	\$118.90	Minimum Bill
Next	30,000 gallons	5.26	per 1,000 gallons
Next	50,000 gallons	4.89	per 1,000 gallons
Over	100,000 gallons	4.49	per 1,000 gallons

##### 6 Inch Meter

First	50,000 gallons	\$276.70	Minimum Bill
Next	50,000 gallons	4.89	per 1,000 gallons
Over	100,000 gallons	4.49	per 1,000 gallons

##### 12 Inch Meter

First	100,000 gallons	\$521.20	Minimum Bill
Over	100,000 gallons	4.49	per 1,000 gallons

Wholesale volumetric rate  
Big Sandy Water District

\$2.32 per 1,000 gallons

Leak Adjustment Rate

\$2.01 per 1,000 gallons

Danny R Clarkston  
Manager  
Cannonsburg Water District  
1606 Cannonsburg Road  
Ashland, KY 41102