

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT) CASE NO.
OF BIG SANDY WATER DISTRICT) 2009-00153

ORDER

On April 10, 2009, 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. Kenova raised its wholesale rate to Big Sandy effective March 4, 2009, from \$1.61 per 1,000 gallons to \$1.79 per 1,000 gallons. Kenova further implemented two surcharges to be paid by Big Sandy. The first surcharge is \$0.10 per 1,000 gallons and the other is \$0.02 per 1,000 gallons.

3. Big Sandy proposed a purchased water adjustment factor of \$0.28 per 1,000 gallons.

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

¹ KRS 278.015; 807 KAR 5:068.

5. Big Sandy miscalculated the increase cost of water resulting in an incorrect proposed purchased water adjustment factor.

6. During the 12 months ended February 28, 2009, Big Sandy purchased 75,471,700 gallons of water from Louisa, 204,844,000 gallons from Kenova, 4,474,470 gallons from Rattlesnake Ridge, 61,406,600 gallons from Cannonsburg, and it sold 257,970,800 gallons. The increase in the cost of purchased water is \$61,453.20, resulting in a purchased water adjustment factor of \$0.24 per 1,000 gallons.

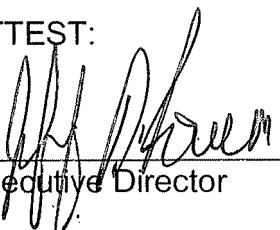
7. The purchased water adjustment factor of \$0.24 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

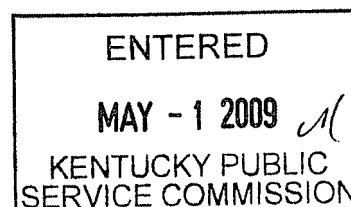
1. The rates proposed by Big Sandy are denied.
2. The purchased water adjustment factor of \$0.24 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services on or after April 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.

By the Commission

ATTEST:



Executive Director



APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2009-00153 DATED **MAY - 1 2009**

	New Rate	Base Rate
Kenova		
Purchases in gallons	204,844,000	204,844,000
Surcharge	\$0.10/ 1,000	
Surcharge	\$0.02/ 1,000	
Volumetric rate	<u>\$ 1.79 /1,000</u>	<u>\$ 1.61/1,000</u>
	\$391,252.04	\$329,798.84
Louisa	no change	
Rattlesnake Ridge	no change	
Cannonsburg	no change	
	Increased water cost	\$ 61,453.20
Increased water cost		\$61,453.20
Divided by gallons sold		257,970,800
Purchased water adjustment factor		\$0.24 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2009-00153 DATED **MAY - 1 2009**

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	\$16.90	Minimum Bill
Next	8,000 gallons	6.55	per 1,000 gallons
Next	20,000 gallons	5.42	per 1,000 gallons
Next	20,000 gallons	4.66	per 1,000 gallons
Over	50,000 gallons	3.90	per 1,000 gallons

1 Inch Meter

First	10,000 gallons	\$69.30	Minimum Bill
Next	20,000 gallons	5.42	per 1,000 gallons
Next	20,000 gallons	4.66	per 1,000 gallons
Over	50,000 gallons	3.90	per 1,000 gallons

1 – 1/2 Inch Meter

First	30,000 gallons	\$177.70	Minimum Bill
Next	20,000 gallons	4.66	per 1,000 gallons
Over	50,000 gallons	3.90	per 1,000 gallons

2 Inch Meter

First	50,000 gallons	\$270.90	Minimum Bill
Over	50,000 gallons	3.90	per 1,000 gallons

3 Inch Meter

First	100,000 gallons	\$465.90	Minimum Bill
Over	100,000 gallons	3.90	per 1,000 gallons

4 Inch Meter

First 200,000 gallons
Over 200,000 gallons

\$855.90 Minimum Bill
3.90 per 1,000 gallons

Wholesale volumetric rate

Overland Development Inc.

\$1.63 per 1,000 gallons

Cannonsburg Water District

\$2.29 per 1,000 gallons

Mr. Jimmy Blanton
Superintendent
Big Sandy Water District
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