

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF SOUTH ANDERSON WATER) CASE NO. 2009-00229
DISTRICT)

ORDER

On June 22, 2009, South Anderson Water District ("South Anderson") 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. South Anderson purchases water from the Frankfort Electric and Water Plant Board ("Frankfort") and the city of Lawrenceburg ("Lawrenceburg").

2. Frankfort reduced its wholesale rate to South Anderson per Commission Order in Case No. 2009-00250,² effective April 6, 2009, from \$1.822 per 1,000 gallons to \$1.704 per 1,000 gallons. Frankfort further refunded \$1,038.73 to South Anderson for charges resulting from Frankfort placing its proposed rates into effect prior to resolution of the case pursuant to KRS 278.190.

3. South Anderson proposed a purchased water adjustment factor of \$-0.02 per 1,000 gallons.

¹ KRS 278.015; 807 KAR 5:068.

² Case No. 2008-00250, *Proposed Adjustment of the Wholesale Water Service Rates of Frankfort Electric and Water Plant Board* (Ky. PSC Apr. 6, 2009).

4. South Anderson proposed an effective date of July 1, 2009.

5. South Anderson proposed to pass the refunded amount of \$1,038.73 from Frankfort to its customers over the next two billing cycles. South Anderson estimated the monthly sales to be 12,000,000 gallons and calculated the refund amount to be \$0.043 per 1,000 gallons for the two-month period.

6. During the 12 months ended May 31, 2009, South Anderson purchased 25,333,700 gallons of water from Frankfort and 157,392,000 from Lawrenceburg, and it sold 182,725,700 gallons. The decrease in the cost of purchased water is \$2,989.38, resulting in a purchased water adjustment factor of \$-0.02 per 1,000 gallons.

7. The purchased water adjustment factor of \$-0.02 per 1,000 gallons is fair, just and reasonable and should be approved.

8. The refund factor of \$0.043 per 1,000 gallons is fair, just and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by South Anderson are approved.

2. The purchased water adjustment factor of \$-0.02 per 1,000 gallons as calculated in Appendix A is approved.

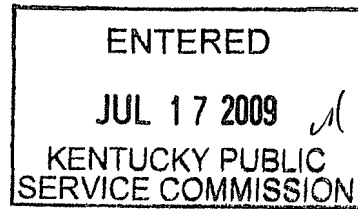
3. The refund factor of \$0.043 per 1,000 gallons as calculated in Appendix A is approved.

4. South Anderson shall credit its customers' accounts the amount resulting from the refund factor over the next two monthly billing cycles.

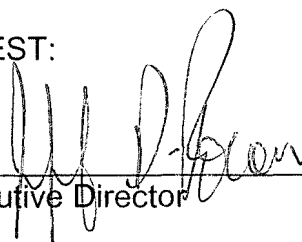
5. The rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for service rendered on or after July 1, 2009.

6. The tariff sheets filed by South Anderson in the application are approved as filed.

By the Commission



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2009-00229 DATED JUL 17 2009

	New Rate	Base Rate
Frankfort		
Purchases in gallons	25,333,700	25,333,700
Volumetric rate	<u>\$ 1.704 /1,000</u>	<u>\$ 1.822/1,000</u>
	\$43,168.62	\$46,158.00
Lawrenceburg	no change	
	Decreased water cost	\$ 2,989.38
Decreased water cost		\$2,389.38
Divided by gallons sold		153,995,010
Purchased water adjustment factor		\$-0.02 per 1,000 gallons
Refund Amount		\$1,038.73
Divided by 2 months' Estimated sales		<u>24,000,000</u>
Refund factor		\$0.043 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2009-00229 DATED JUL 17 2009

The following rates and charges are prescribed for the customers in the area served by South Anderson 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	\$16.43	Minimum Bill
Next	1,000 gallons	8.05	per 1,000 gallons
Next	2,000 gallons	7.00	per 1,000 gallons
Next	2,000 gallons	6.01	per 1,000 gallons
Next	3,000 gallons	4.97	per 1,000 gallons
Over	10,000 gallons	4.64	per 1,000 gallons

Eddie Stevens
Chairman
South Anderson Water District
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