

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT            )  
OF SOUTH ANDERSON WATER                ) CASE NO. 2009-00283  
DISTRICT                                        )

O R D E R

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

2. Lawrenceburg notified South Anderson that, effective with its September 1, 2009 billing, its wholesale water rate would increase from \$2.25 per 1,000 gallons for the first 8,000,000 gallons, and \$2.10 per 1,000 gallons for all water over 8,000,000 gallons, to \$2.49 per 1,000 gallons for the first 8,000,000 gallons, and \$2.34 per 1,000 gallons for all water over 8,000,000 gallons. South Anderson initially proposed to increase the water rates to its customers effective on and after September 1, 2009. By subsequent correspondence, South Anderson proposed to increase the water rates to its customers effective July 16, 2009 based on Lawrenceburg's initiation of its rate increase as of July 13, 2009.

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

3. During the 12 months ending May 31, 2009, South Anderson purchased 157,392,000 gallons of water from Lawrenceburg. South Anderson sold a total of 153,995,010 gallons. The increase in the cost of purchased water is \$37,774.08, resulting in a purchased water adjustment of \$0.245 per 1,000 gallons.

4. South Anderson incorrectly applied the purchased water adjustment of \$0.245 per 1,000 gallons to one step in its current rate design. The rates proposed by South Anderson should be denied.

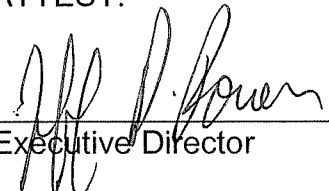
5. The purchased water adjustment of \$0.245 per 1,000 gallons is fair, just, and reasonable and should be approved.

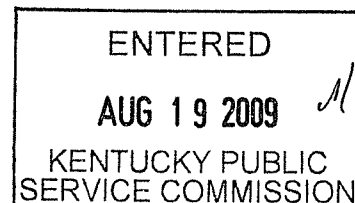
IT IS THEREFORE ORDERED that:

1. The rates proposed by South Anderson are denied.
2. The purchased water adjustment of \$0.245 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 rendered on and after July 16, 2009.
4. Within 30 days of the date of this Order, South Anderson shall file new tariff sheets showing the rates approved herein.

By the Commission

ATTEST:

  
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Executive Director



APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2009-00283 DATED **AUG 19 2009**

	New Rate	Base Rate
South Anderson Water		
Purchases in gallons	157,392,000	157,392,000
Volumetric rate	\$2.49/1,000 < 8,000,000	\$2.25/1,000 < 8,000,000
	<u>\$2.34/1,000 &gt; 8,000,000</u>	<u>\$2.10/1,000 &gt; 8,000,000</u>
	\$382,697.28	\$344,923.20

Increased water cost \$37,774.08

Increased water cost	\$ 37,774.08
Divided by gallons sold	<u>153,995,010</u>
Purchased water adjustment factor	\$0.245 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2009-00283 DATED **AUG 19 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	\$ 16.92	Minimum bill
Next	1,000 gallons	8.295	per 1,000 gallons
Next	2,000 gallons	7.245	per 1,000 gallons
Next	2,000 gallons	6.255	per 1,000 gallons
Next	3,000 gallons	5.215	per 1,000 gallons
All Over	10,000 gallons	4.885	per 1,000 gallons

Eddie Stevens  
Chairman  
South Anderson Water District  
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