

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	
FILING OF CHRISTIAN COUNTY)	CASE NO. 2010-00114
WATER DISTRICT)	

O R D E R

On March 15, 2010, Christian County Water District ("Christian County") 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. Christian County purchases water from Hopkinsville Water Environment Authority ("Hopkinsville") and Lake Barkley Water District.

2. On September 3, 2009, Hopkinsville notified the Commission in writing of its intent to increase its wholesale water service rate to Christian County effective October 5, 2009. Finding further investigation of the proposed adjustment was necessary, the Commission suspended the proposed adjustment until March 5, 2010 and initiated an investigation into the reasonableness of the proposed rate.²

3. On February 25, 2010, Hopkinsville notified the Commission and Christian County of its intent to place the proposed wholesale rates into effect on March 5, 2010.

4. Hopkinsville's proposed adjustment is reflected in Table 1 below.

¹ KRS 278.015; 807 KAR 5:068.

² Case No. 2009-00373, Proposed Adjustment of the Wholesale Rates of Hopkinsville Environmental Water Authority (Ky. PSC Sep. 28, 2009).

TABLE 1		
	Existing Rate	Adjusted Rate
First 3,000 cubic feet	\$2.89 per 100 cubic foot	\$2.96 per 100 cubic foot
Next 3,000 cubic feet	\$2.53 per 100 cubic foot	\$2.59 per 100 cubic foot
Over 6,000 cubic feet	\$1.83 per 100 cubic foot	\$1.88 per 100 cubic foot

5. On March 4, 2010, Christian County's Board of Commissioners voted to adjust Christian County's rates for water service to reflect the increased cost of purchased water and to make the adjustment effectively immediately.

6. During the 12 months ending January 31, 2010, Christian County purchased a total of 393,287,883 gallons of water from Hopkinsville and sold 370,399,999 gallons. The increase in the cost of purchased water is \$27,517.89, resulting in a purchased water adjustment of \$0.08 per 1,000 gallons.

7. When calculating the purchased water adjustment, Christian County overstated the level of water purchases for the 12-month period ending January 31, 2010. This overstatement resulted in an incorrect calculation of purchased water costs.

8. The correct calculation of the purchased water adjustment is reflected in Appendix A.

9. A purchased water adjustment of \$0.08 per 1,000 gallons is fair, just, and reasonable and should be approved.

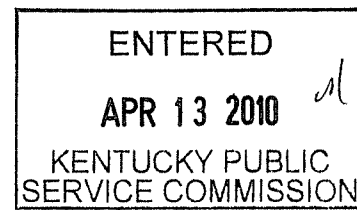
IT IS THEREFORE ORDERED that:

1. Christian County's proposed rates are denied.
2. The purchased water adjustment of \$0.08 per 1,000 gallons as calculated in Appendix A is approved.

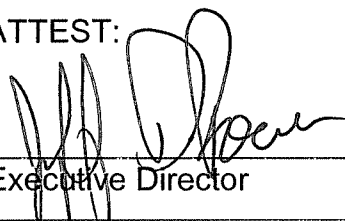
3. The rates in Appendix B are approved for water service that Christian County renders on and after March 5, 2010.

4. Within 20 days of the date of this Order, Christian County shall file revised tariff sheets with the Commission reflecting the rates set forth in Appendix B.³

By the Commission



ATTEST:



Executive Director

³ Christian County has proposed that the adjustment be subject to refund. We find that such action is unnecessary. Should the Commission approve a wholesale rate for Hopkinsville that is lower than its proposed wholesale rate, KRS 278.190 authorizes the Commission to require Hopkinsville to refund to Christian County any amounts collected in excess of the rate found reasonable. Furthermore, 807 KAR 5:068, Section 2(4), provides a mechanism for passing such refund on to Christian County's customers.

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00114 DATED APR 13 2010

	New Rate	Base Rate
Christian County Water		
Purchases in gallons	393,287,883	393,287,883
Volumetric rate	\$2.89 0-3000 CF	\$2.96 0-3000 CF
	\$2.53 3001-6000 CF	\$2.59 3001-6000 CF
	<u>\$1.83 Over 6001 CF</u>	<u>\$1.88 Over 6001 CF</u>

Increased water cost \$27,517.89

Increased water cost	\$ 27,517.89
Divided by gallons sold	<u>370,399,999</u>
Purchased water adjustment factor	\$0.08 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00114 DATED APR 13 2010

The following rates and charges are prescribed for the customers in the area served by Christian County 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" Meter

First	0 gallons	\$ 16.08 Minimum Bill
Over	0 gallons	5.73 per 1,000 gallons

1" Meter

First	5,000 gallons	\$ 44.65 Minimum Bill
Over	5,000 gallons	5.73 per 1,000 gallons

1 1/2" Meter

First	10,000 gallons	\$ 73.30 Minimum Bill
Over	10,000 gallons	5.73 per 1,000 gallons

2" Meter

First	50,000 gallons	\$ 302.50 Minimum Bill
Over	50,000 gallons	5.73 per 1,000 gallons

4" Meter

First	100,000 gallons	\$ 589.00 Minimum Bill
Over	100,000 gallons	5.73 per 1,000 gallons

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