

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	
FILING OF JESSAMINE COUNTY)	CASE NO. 2010-00402
WATER DISTRICT NO. 1)	

O R D E R

On October 19, 2010, Jessamine County Water District No. 1 ("Jessamine District") 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. Jessamine District purchases water from the city of Nicholasville, Kentucky ("Nicholasville").
2. Nicholasville provides water service to Jessamine District through multiple metering points. Nicholasville purchases water from Kentucky-American Water Company ("KAWC") and resells that water to Jessamine District for the meters serving the Brannon Crossing area. Under the terms of its filed rate schedules, Nicholasville charges Jessamine District for water supplied through the Brannon Crossing meters, at the same rate that KAWC charges for sales for resale. Nicholasville's wholesale rate for all other meters serving Jessamine District is \$2.73 per 1,000 gallons.

¹ KRS 278.015 and 807 KAR 5:068.

3. Nicholasville notified Jessamine District that, effective November 3, 2010, Nicholasville's wholesale water rate for meters serving the Brannon Crossing area of Jessamine District would increase to reflect the increase in KAWC's sale for resale rate.

4. Nicholasville notified Jessamine District that the combined monthly meter service charges will increase from \$946.00 to \$1,006.60 per month and the volumetric rate will increase from \$3.27067 per 1,000 gallons to \$4.92000 per 1,000 gallons.

5. Jessamine District proposes to increase the water rates to its customers effective November 15, 2010.

6. In its application for a purchased water adjustment, Jessamine District failed to include the monthly meter service charge increase in its calculations and thus miscalculated its purchased water adjustment factor.

7. During the 12 months ending September 30, 2010, Jessamine District purchased a total of 194,613,000 gallons of water from Nicholasville and sold 175,785,000 gallons. (An additional 16,771,000 gallons were purchased through the Brannon Crossing area meters.)

8. The increase in the cost of purchased water resulting from the increase in KAWC's sale for resale rate is \$28,388 and produces a purchased water adjustment factor of \$0.17 per 1,000 gallons.

9. The purchased water adjustment factor of \$0.17 per 1,000 gallons is fair, just, and reasonable and should be approved.

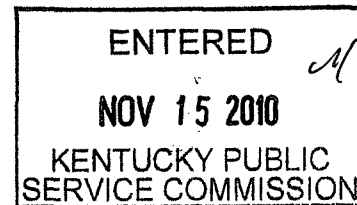
10. 807 KAR 5:068, Section 2(2), requires the Commission to apply the purchased water adjustment factor to all of the water district's existing rate schedules. When applied to the rates that Jessamine District had on file with the Commission as of

the date of this Order, the purchased water adjustment factor of \$0.17 produced the rates set forth in Appendix B to this Order.

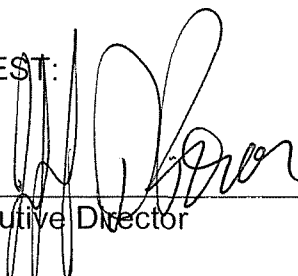
IT IS THEREFORE ORDERED that:

1. Jessamine District's proposed rates are denied.
2. The purchased water adjustment factor of \$0.17 per 1,000 gallons as calculated in Appendix A is approved, and the rates in Appendix B are fair, just, and reasonable and are approved for services rendered on and after November 15, 2010.
3. Within 20 days of the date of this Order, Jessamine District shall file with the Commission a revised tariff sheet 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. 2010-00402 DATED **NOV 15 2010**

	Base Rate	New Rate
City of Nicholasville		
Purchases in gallons	194,613,000	194,613,000
Wholesale Rate	<u>\$2.73/1,000</u>	<u>\$2.73/ 1,000</u>
	\$531,293.49	\$531,293.49
Brannon Crossing Area		
Monthly Meter Service Charges	\$946.00	\$1,006.60
	<u>x 12</u>	<u>x 12</u>
	\$11,352.00	\$12,079.20
Purchases in gallons	16,771,000	16,771,000
Volumetric rate	<u>\$3.27067/1,000</u>	<u>\$4.92000/1,000</u>
	\$54,852.41	\$82,513.32
Increased water cost		\$28,388.11

Increased water cost	\$28,388
Divided by gallons sold	<u>175,785,000</u>
Purchased water adjustment factor	\$0.17 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00402 DATED **NOV 15 2010**

The following rates and charges are prescribed for the customers in the area served by Jessamine County Water District No. 1. 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	3,000	gallons	\$ 21.72	Minimum bill
Next	7,000	gallons	5.44	per 1,000 gallons
All Over	10,000	gallons	5.34	per 1,000 gallons

1" Meter

First	5,000	gallons	\$ 32.60	Minimum bill
Next	5,000	gallons	5.44	per 1,000 gallons
All Over	10,000	gallons	5.34	per 1,000 gallons

1 1/2" Meter

First	10,000	gallons	\$ 59.80	Minimum bill
All Over	10,000	gallons	5.34	per 1,000 gallons

2" Meter

First	20,000	gallons	\$ 113.20	Minimum bill
All Over	20,000	gallons	5.34	per 1,000 gallons

Carl Waits
Chairman
Jessamine County Water District #1
2225 Lexington Road
Nicholasville, KY 40356-9702