

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF CANNONSBURG WATER) CASE NO. 2010-00467
DISTRICT)

O R D E R

On December 2, 2010, Cannonsburg Water District ("Cannonsburg") 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. Cannonsburg purchases water from the city of Ashland ("Ashland") and Big Sandy Water District.
2. Ashland notified Cannonsburg that, effective January 1, 2011, Ashland's wholesale water rate to Cannonsburg would increase from \$2.01 per 1,000 gallons to \$2.12 per 1,000 gallons.
3. Cannonsburg proposes to increase the water rates to its customers effective January 1, 2011.
4. During the 12 months ending August 31, 2010, Cannonsburg purchased a total of 529,046,000 gallons of water from Ashland and sold 365,379,400 gallons. The increase in the cost of purchased water is \$58,195.06 and results in a purchased water adjustment of \$0.16 per 1,000 gallons.

¹ KRS 278.015; 807 KAR 5:068.

5. Cannonsburg incorrectly applied the purchased water adjustment to the minimum bill for 12" meter customers as well as its leak adjustment rate.

6. Cannonsburg's proposed rates should be denied.

7. The purchased water adjustment of \$0.16 per 1,000 gallons is fair, just, and reasonable and should be approved.

8. The rates set forth in Appendix B are fair, just, and reasonable and should be charged for water service that Cannonsburg renders on and after January 1, 2011.

IT IS THEREFORE ORDERED that:

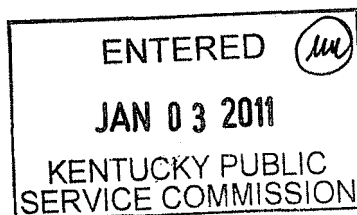
1. Cannonsburg's proposed rates are denied.

2. The purchased water adjustment of \$0.16 per 1,000 gallons as calculated in Appendix A is approved.

3. The rates in Appendix B are approved for water service that Cannonsburg renders on or after January 1, 2011.

4. Within 20 days of the date of this Order, Cannonsburg shall file revised tariff sheets with the Commission 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. 2010-00467 DATED **JAN 03 2011**

	New Rate	Base Rate
Cannonsburg Water		
Purchases in gallons	529,046,000	529,046,000
Volumetric rate	<u>\$ 2.12/1,000</u>	<u>\$ 2.01/1,000</u>
	\$1,121,577.52	\$1,063,382.46

Increased water cost \$58,195.06

Increased water cost	\$ 58,195.06
Divided by gallons sold	<u>365,379,400</u>
Purchased water adjustment factor	\$0.16 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00467 DATED **JAN 03 2011**

The following rates and charges are prescribed for the customers in the area served by Cannonsburg 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	2,000	Gallons	\$ 16.92	Minimum Bill
Next	3,000	Gallons	6.36	Per 1,000 Gallons
Next	15,000	Gallons	5.98	Per 1,000 Gallons
Next	30,000	Gallons	5.60	Per 1,000 Gallons
Next	50,000	Gallons	5.23	Per 1,000 Gallons
Over	100,000	Gallons	4.83	Per 1,000 Gallons

1 1/2" Meter

First	5,000	Gallons	\$ 36.00	Minimum Bill
Next	15,000	Gallons	5.98	Per 1,000 Gallons
Next	30,000	Gallons	5.60	Per 1,000 Gallons
Next	50,000	Gallons	5.23	Per 1,000 Gallons
Over	100,000	Gallons	4.83	Per 1,000 Gallons

2" & 3" Meter

First	20,000	Gallons	\$ 125.70	Minimum Bill
Next	30,000	Gallons	5.60	Per 1,000 Gallons
Next	50,000	Gallons	5.23	Per 1,000 Gallons
Over	100,000	Gallons	4.83	Per 1,000 Gallons

6" Meter

First	50,000	Gallons	\$ 293.70	Minimum Bill
Next	50,000	Gallons	5.23	Per 1,000 Gallons
Over	100,000	Gallons	4.83	Per 1,000 Gallons

12" Meter

First	100,000	Gallons	\$ 555.20	Minimum Bill
Over	100,000	Gallons	4.83	Per 1,000 Gallons

Leak Adjustment Rate	\$ 2.35	per 1,000 Gallons
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Wholesale Water Rates
Big Sandy Water District
City of Greenup Co.

\$ 2.66 per 1,000 Gallons
\$ 2.66 per 1,000 Gallons

Danny R Clarkston
Manager
Cannonsburg Water District
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