

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF JESSAMINE-SOUTH) CASE NO. 2011-00024
ELKHORN WATER DISTRICT)

O R D E R

On January 25, 2011, Jessamine-South Elkhorn Water District (“Jessamine-South Elkhorn”) 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-South Elkhorn purchases water from the city of Nicholasville (“Nicholasville”) and Kentucky-American Water Company (“KAWC”).
2. Jessamine-South Elkhorn’s method of calculating the purchased water adjustment factor in the application does not comply with 807 KAR 5:068.
3. The Commission established KAWC’s sales for resale water rate to Jessamine-South Elkhorn in Case No. 2010-00036.²
4. On January 5, 2011, Jessamine-South Elkhorn’s Board of Commissioners approved an adjustment in the water district’s rates.

¹ KRS 278.015; 807 KAR 5:068.

² Case No. 2010-00036, Application of Kentucky-American Water Company for an Adjustment of Rates Supported by a Fully Forecasted Test Year (Ky. PSC Dec. 14, 2010).

5. KAWC serves Jessamine-South Elkhorn through four meters of different sizes. The combined monthly meter service charges for Jessamine-South Elkhorn will decrease from \$649.70 to \$631.90 per month and the volumetric rate will decrease from \$4.92000 per 1,000 gallons to \$4.20933 per 1,000 gallons.

6. Jessamine-South Elkhorn proposed to adjust the water rates to its customers effective January 5, 2011.

7. During the 12 months ending September 30, 2010, Jessamine-South Elkhorn purchased a total of 27,521,950 gallons of water from Nicholasville, 257,100,000 gallons of water from KAWC, and sold 233,456,660 gallons. The decrease in the cost of purchased water is \$182,926.86, resulting in a purchased water adjustment of (\$0.79) per 1,000 gallons.

8. The purchased water adjustment of (\$0.79) per 1,000 gallons is fair, just, and reasonable and should be approved.

9. 807 KAR 5:068, Section 2(3), 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-South Elkhorn had on file with the Commission as of January 4, 2011, the purchased water adjustment factor of (\$0.79) produces the rates set forth in Appendix B to this Order.

IT IS THEREFORE ORDERED that:

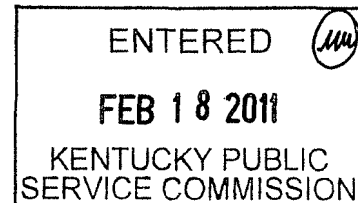
1. Jessamine-South Elkhorn's proposed rates are approved.

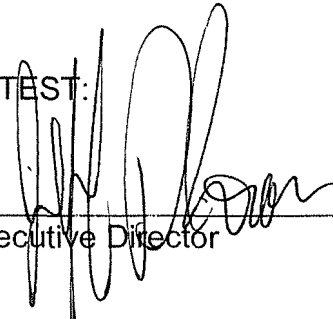
2. Jessamine-South Elkhorn's proposed purchased water adjustment factor of \$1.07 per 1,000 gallons is denied.

3. The purchased water adjustment factor of (\$0.79) per 1,000 gallons as calculated in Appendix A is approved and the rates in Appendix B are approved for services rendered on and after January 5, 2011.

4. Within 20 days of the date of this Order, Jessamine-South Elkhorn shall file with the Commission its 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. 2011-00024 DATED FEB 18 2011

	Base Rate	New Rate
City of Nicholasville		
Purchases in gallons	27,521,950	27,521,950
Wholesale Rate	\$ <u>2.73/1,000</u>	\$ <u>2.73/1,000</u>
	\$ 75,134.92	\$ 75,134.92
KAWC		
Monthly Meter Service Charges	\$649.70	\$ 631.90
	<u> x 12</u>	<u> x 12</u>
	\$ 7,796.40	\$ 7,582.80
Purchases in gallons	257,100,000	257,100,000
Volumetric rate	\$ <u>4.92000/1,000</u>	\$ <u>4.20933/1,000</u>
	\$ 1,264,932.00	\$ 1,082,218.74
Decreased water cost		\$ 182,926.86
Decreased water cost		\$ 182,926.86
Divided by gallons sold		<u>233,456,660</u>
Purchased water adjustment factor		(\$ 0.79) per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00024 DATED FEB 18 2011

The following rates and charges are prescribed for the customers in the area served by Jessamine-South Elkhorn 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	\$ 26.24	Minimum bill
Next	2,000	gallons	7.47	per 1,000 gallons
Next	2,000	gallons	7.37	per 1,000 gallons
Next	10,000	gallons	7.27	per 1,000 gallons
Next	8,000	gallons	7.17	per 1,000 gallons
All Over	24,000	gallons	7.07	per 1,000 gallons

1" Meter

First	10,000	gallons	\$ 85.00	Minimum bill
Next	6,000	gallons	7.27	per 1,000 gallons
Next	8,000	gallons	7.17	per 1,000 gallons
All Over	24,000	gallons	7.07	per 1,000 gallons

2" Meter

First	24,000	gallons	\$ 185.98	Minimum bill
All Over	24,000	gallons	7.07	per 1,000 gallons

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