COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED SEWAGE TREATMENT ADJUSTMENT FILING OF WARREN COUNTY WATER DISTRICT

CASE NO. 2012-00482

<u>ORDER</u>

On November 1, 2012, Warren County Water District – Sewer Division ("Warren County") applied for approval to adjust its rates pursuant to the purchased sewer adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Warren County purchases sewage treatment services from Bowling Green Municipal Utilities ("Bowling Green").

2. On October 30, 2012, Bowling Green notified Warren County that, effective December 1, 2012, Bowling Green's wholesale sewer rate to Warren County would increase from \$1.2409 per 1,000 gallons to \$3.2473 per 1,000 gallons.²

3. Warren County proposes to apply a purchased sewage treatment adjustment factor of \$1.31 per 1,000 gallons to its rates. Due to a rounding error by Warren County, the purchased sewage treatment adjustment factor should be \$1.32.

¹ KRS 278.015; 807 KAR 5:068.

² Letter from Gary A. Bridges, Chief Financial Officer, Bowling Green Municipal Utilities, to Alan Vilines, General Manger, Warren County Water District (Oct. 30, 2012).

4. On September 25, 2012, Warren County's Board of Commissioners voted to adjust the water district's rates for sewer service, effective December 1, 2012, to reflect Bowling Green's proposed increase in its wholesale rate.

5. During the 12 months ending September 30, 2012, Warren County sold 815,810,000 gallons of water to its sewer customers and Bowling Green treated 533,838,000 gallons of sewage from Warren County.

6. The sewage adjustment factor of \$1.32 per 1,000 gallons of water sold is fair, just, and reasonable and should be approved.

7. The rates set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for sewage service that Warren County renders on and after December 1, 2012.

IT IS THEREFORE ORDERED that:

1. Warren County's proposed rates are denied.

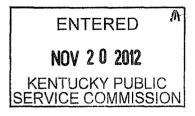
2. The sewage adjustment factor of \$1.32 per 1,000 gallons of water sold as calculated in Appendix A is approved.

3. The rates in Appendix B are approved for sewage service that Warren County renders on or after December 1, 2012.

4. Within 20 days of the date of this Order, Warren County shall file with the Commission revised tariff sheets showing the rates approved herein.

-2-

By the Commission



ATTE Executive Director

Case No. 2012-00482

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2012-00482 DATED NOV 2 0 2012

	Base Rate	New Rate
Bowling Green		
Gallons Treated	533,838,000	533,838,000
Wholesale Rate	<u>\$1.2409/1,000</u>	<u>\$ 3.2473/1,000</u>
	\$ 662,439.57	\$ 1,733,532.14
Increase	\$1,071,092.57	

Increased treatment cost Divided by gallons of water sold/1,000 Purchased water adjustment factor \$1,071,092.57 <u>815,810,000</u> \$1.31292 per 1,000 gallons or \$1.32 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2012-00482 DATED NOV 2 0 2012

The following rates and charges are prescribed for the customers in the area served by Warren County Water District – Sewer Division. 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 Rates for all areas outside the City of Smiths Grove

F	
First	2,000 gallons
Next	6,000 gallons
Next	12,000 gallons
Next	80,000 gallons
Over	100,000 gallons

Minimum Bills for all Meters

5/8"	First	2,000	gallons
3/4"	First	3,000	gallons
1"	First	5,000	gallons
1 1/2"	First	10,000	gallons
2"	First	16,000	gallons
3"	First	30,000	gallons
4"	First	50,000	gallons
6"	First	100,000	gallons

- \$ 11.88 Minimum bill
 - 5.14 per 1,000 gallons
 - 3.95 per 1,000 gallons
 - 3.56 per 1,000 gallons
 - 2.94 per 1,000 gallons
- \$ 11.88 Minimum bill
 17.02 Minimum bill
 27.30 Minimum bill
 50.65 Minimum bill
 74.32 Minimum bill
- 125.72 Minimum bill
- 196.92 Minimum bill
- 374.92 Minimum bill

Monthly Rates for inside the City of Smiths Grove

First	2,000 gallons
Next	6,000 gallons
Next	12,000 gallons
Next	80,000 gallons
Over	100,000 gallons

Minimum Bills for all Meters

5/8"	First	2,000	gallons
3/4"	First	3,000	gallons
1"	First	5,000	gallons
1 1/2"	First	10,000	gallons
2"	First	16,000	gallons
3"	First	30,000	gallons
4"	First	50,000	gallons
6"	First	100,000	gallons

- \$ 18.32 Minimum bill
 - 5.31 per 1,000 gallons
 - 5.11 per 1,000 gallons
 - 4.51 per 1,000 gallons
 - 3.71 per 1,000 gallons
- \$18.32 Minimum bill
 - 23.63 Minimum bill
 - 34.25 Minimum bill
 - 60.40 Minimum bill
 - 90.06 Minimum bill
- 156.60 Minimum bill
- 246.80 Minimum bill
- 472.30 Minimum bill

Alan H Vilines Engineeing Manager Warren County Water District 523 US Highway 31W Bypass P. O. Box 10180 Bowling Green, KY 42102-4780