

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF ) CASE NO.  
MCKINNEY WATER DISTRICT ) 2014-00435

ORDER

On December 15, 2014, McKinney Water District ("McKinney") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.<sup>1</sup>

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

1. McKinney purchases water from the city of Stanford Waterworks ("Stanford") and from the Eubank Water System ("Eubank").

2. Stanford notified McKinney that effective September 25, 2014, Stanford would increase its wholesale rate to McKinney from \$2.49 per 1,000 gallons to \$2.80 per 1,000 gallons.<sup>2</sup> McKinney proposed to increase its water rates to reflect the increased cost of purchased water effective December 15, 2014.

3. McKinney proposed a purchased water adjustment factor of \$0.35 per 1,000 gallons.

4. During the 12 months ended September 30, 2014, McKinney purchased 99,320,000 gallons of water from Stanford and 27,389,900 gallons from Eubank, and

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<sup>1</sup> KRS 278.015; 807 KAR 5:068.

<sup>2</sup> TFS 2013-00731 (Ky. PSC filed Sep. 17, 2013); The tariff was accepted for filing by the Commission by letter dated Feb. 6, 2014.

sold 88,065,800 gallons of water. The increase in the cost of purchased water is \$30,789.20, resulting in a purchased water adjustment of \$0.35 per 1,000 gallons.

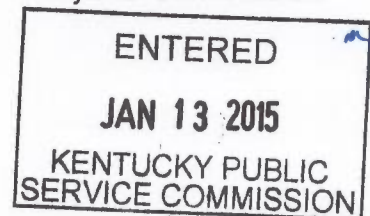
5. The purchased water adjustment of \$0.35 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

6. McKinney's proposed rates, as set forth in Appendix B to this Order, are fair, just, and reasonable and should be approved for water service rendered on and after December 15, 2014.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.35 per 1,000 gallons is approved.
2. The rates as set forth in Appendix B to this Order are approved for water service rendered on and after December 15, 2014.
3. Within 20 days of the date of this Order, McKinney shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

By the Commission



ATTEST:

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2014-00435 DATED **JAN 13 2015**

	New Rate	Base Rate
McKinney		
Purchases in gallons		
Stanford	99,320,000	99,320,000
Volumetric rate	<u>\$ 2.80/1,000</u>	<u>\$ 2.49/1,000</u>
	\$ 278,096.00	\$ 247,306.80

Increased water cost \$30,789.20

Increased water cost	\$30,789.20
Divided by gallons sold/1,000	<u>88,065,800</u>
Purchased water adjustment factor	\$ 0.34962 per 1,000 gallons
or	\$ 0.35 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2014-00435 DATED **JAN 13 2015**

The following rates and charges are prescribed for the customers in the area served by McKinney 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-Inch X 3/4-Inch Meter

First	1,000 gallons	\$13.37 Minimum Bill
Next	2,000 gallons	8.16 per 1,000 gallons
Next	7,000 gallons	6.83 per 1,000 gallons
Over	10,000 gallons	6.19 per 1,000 gallons

1-Inch Meter

First	5,000 gallons	\$ 43.35 Minimum Bill
Next	5,000 gallons	6.83 per 1,000 gallons
Over	10,000 gallons	6.19 per 1,000 gallons

2-Inch Meter

First	20,000 gallons	\$139.40 Minimum Bill
Over	20,000 gallons	6.19 per 1,000 gallons

Nicki Bastin  
Clerk  
McKinney Water District  
P. O. Box 7  
McKinney, KY 40448