

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF)	CASE NO.
BEECH GROVE WATER SYSTEM, INC.)	2016-00145

ORDER

On April 7, 2016, Beech Grove Water System, Inc., ("Beech Grove") 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. Beech Grove purchases water from the Henderson Water Utility ("Henderson") and from West Daviess County Water District ("West Daviess").

2. Henderson notified Beech Grove on January 4, 2016, that its wholesale rate to Beech Grove would decrease from \$3.1275 per 1,000 gallons to \$2.3816 per 1,000 gallons, effective March 1, 2016.² Beech Grove proposed to decrease the water rates to its customers effective April 15, 2016, to reflect the decreased cost of purchased water. However, because Henderson decreased its rate effective March 1, 2016,³ Beech Grove's requested effective date should be denied pursuant to 807 KAR 5:068(2)(2), and Beech Grove's revised rates should be deemed effective March 1, 2016.

¹ KRS 278.015; 807 KAR 5:068.

² TFS 2016-00004 (Ky. PSC filed Jan 4, 2016); the tariff was accepted for filing by the Commission by letter dated March 1, 2016.

³ *Id.*

3. Beech Grove proposed a purchased water adjustment factor of \$(0.70) per 1,000 gallons; due to a rounding error in Beech Grove's request, the purchase water adjustment factor should be \$(0.79) per 1,000 gallons.

4. During the 12 months ended February 29, 2016, Beech Grove purchased 67,630,000 gallons of water from Henderson and 4,159,000 from West Daviess, and sold 63,189,723 gallons of water. The decrease in the cost of purchased water is \$(50,445.22), resulting in a purchased water adjustment factor of \$(0.79) per 1,000 gallons.

5. The purchased water adjustment factor of \$(0.79) per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

6. Beech Grove's proposed rates should be denied.

7. The rates as set forth in Appendix B to this Order, are fair, just and reasonable and should be approved for water service rendered by Beech Grove on and after March 1, 2016.

IT IS THEREFORE ORDERED that:

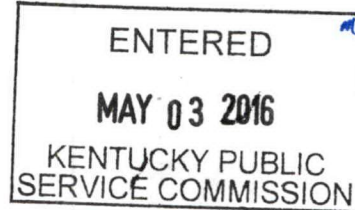
1. The purchased water adjustment factor of \$(0.79) per 1,000 gallons is approved.

2. Beech Grove's proposed rates are denied.

3. The rates set forth in Appendix B to this Order are approved for water service rendered by Beech Grove on and after March 1, 2016.

4. Within 20 days of the date of this Order, Beech Grove 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, appearing to read "Aaron D. Gurnett".

Acting Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
 COMMISSION IN CASE NO. 2016-00145 DATED **MAY 03 2016**

	New Rate	Base Rate
Beech Grove		
Purchases in gallons		
Henderson	67,630,000	67,630,000
Volumetric rate	<u>\$2.3816/1,000</u>	<u>\$3.1275/1,000</u>
	\$ 161,067.61	\$ 211,512.83
West Daviess		
Volumetric rate	4,159,000 <u>NO CHANGE</u>	4,159,000 <u>NO CHANGE</u>
Total	\$161,067.61	\$211,512.83
Decreased water cost		(\$50,445.22)
Increased water cost		(\$50,445.22)
Divided by gallons sold/1,000		<u>63,189,723</u>
Purchased water adjustment factor		\$ (0.7983) per 1,000 gallons or \$ (0.79) per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00145 DATED **MAY 03 2016**

The following rates and charges are prescribed for the customers in the area served by Beech Grove Water System, Inc. 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 Meter

First	2,000 gallons	\$16.36 per 1,000 gallons
Next	98,000 gallons	4.99 per 1,000 gallons
Over	100,000 gallons	4.09 per 1,000 gallons
Bulk Loading Station		1.92 per Month

*Beech Grove Water System, Inc.
445 State Route 56 North
Calhoun, KY 42327

*Sheila Murphy
Beech Grove Water System, Inc.
445 State Route 56 North
Calhoun, KY 42327