

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT	)	CASE NO.
FILING OF HENDERSON COUNTY	)	2012-00090
WATER DISTRICT	)	

ORDER

On March 9, 2012, Henderson County Water District (“Henderson County”) 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. Henderson County purchases water from the city of Henderson (“Henderson”).

2. On March 1, 2012, Henderson increased its wholesale water rate to Henderson County for service to the North area from \$1.9618 per 1,000 gallons to \$2.2118 per 1,000 gallons and for service to the South area from \$2.7630 per 1,000 gallons to \$3.0668 per 1,000 gallons.

3. Henderson County adjusted its rates for water service on April 1, 2012 to reflect the increased cost of purchased water.

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

4. Henderson County used an incorrect current rate for the South area in the application and miscalculated its proposed increase for the South area. Its proposed purchased water adjustment factor of \$0.34 per 1,000 gallons is incorrect.

5. On March 26, 2012, Henderson County clarified in writing the discrepancies in the application which it used to calculate its proposed purchased water adjustment and the current rate for the South area.

6. During the 12 months ending December 31, 2011, Henderson County purchased 482,616,080 gallons of water for Henderson's North area and 8,863,800 gallons of water for Henderson's South area. It sold 384,359,512 gallons. The increase in the cost of purchased water is \$123,346.84, resulting in a purchased water adjustment factor of \$0.32 per 1,000 gallons.

7. The purchased water adjustment factor of \$0.32 per 1,000 gallons is fair, just, and reasonable and should be approved.

8. Henderson County's proposed rates do not reflect an increase in Henderson County's current rates that is commensurate with that of Henderson.

9. The Rates in Appendix B reflect an increase in Henderson County's current rates that is commensurate with that of Henderson, is fair, just and reasonable, and should be approved for water service rendered on and after April 1, 2012.

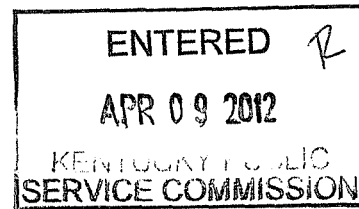
IT IS THEREFORE ORDERED that:

1. Henderson County's proposed rates are denied.
2. The purchased water adjustment factor of \$0.32 per 1,000 gallons as calculated in Appendix A is approved.

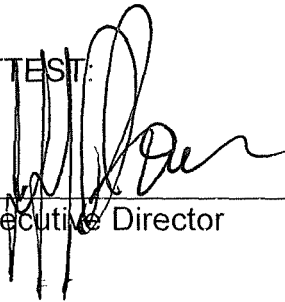
3. The rates in Appendix B are approved for service rendered on and after April 1, 2012.

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

By the Commission



ATTEST:

  
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Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2012-00090 DATED APR 09 2012

North Area	New Rate	Base Rate
Purchases in gallons	482,616,080	482,616,080
Volumetric rate	<u>\$2.2118 /1,000</u>	<u>\$1.9618/1,000</u>
	\$ 1,067,450.25	\$ 946,796.23

South Area	New Rate	Base Rate
Purchases in gallons	8,863,800	8,863,800
Volumetric rate	<u>\$3.0668/1,000</u>	<u>\$2.763/1,000</u>
	\$ 27,183.50	\$ 24,490.68

Totals	\$1,094,633.75	\$ 971,286.91
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Increased water cost	\$ 123,346.84
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Increased water cost	\$ 123,346.84
Divided by gallons sold	<u>384,359,512</u>
Purchased water adjustment factor	\$0.32 per 1,000 gallons

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2012-00090 DATED APR 09 2012

The following rates and charges are prescribed for the customers in the area served by Henderson County 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	\$16.09 Minimum Bill
Next	8,000 gallons	5.68 per 1,000 gallons
Next	20,000 gallons	5.21 per 1,000 gallons
Over	30,000 gallons	4.75 per 1,000 gallons

##### 1 Inch Meter

First	5,000 gallons	\$33.13 Minimum Bill
Next	5,000 gallons	5.68 per 1,000 gallons
Next	20,000 gallons	5.21 per 1,000 gallons
Over	30,000 gallons	4.75 per 1,000 gallons

##### 2 Inch Meter

First	16,000 gallons	\$92.79 Minimum Bill
Next	14,000 gallons	5.21 per 1,000 gallons
Over	30,000 gallons	4.75 per 1,000 gallons

##### 3 Inch Meter

First	30,000 gallons	\$165.73 Minimum Bill
Over	30,000 gallons	4.75 per 1,000 gallons

##### 4 Inch Meter

First	50,000 gallons	\$260.73 Minimum Bill
Over	50,000 gallons	4.75 per 1,000 gallons

##### 6 Inch Meter

First	100,000 gallons	\$498.23 Minimum Bill
Over	100,000 gallons	4.75 per 1,000 gallons

Volunteer Fire Departments (Metered Services)

Flat Rate

\$16.09 Maximum Bill

The monthly charge for water usage in excess of the respective minimum water rates set out above shall be computed in increments of 10 gallons. Accordingly, a customer having a 5/8 inch meter who consumes at least 2,010 gallons of water and not more than 2,019 gallons of water in any month shall pay the amount of \$16.14 for the month (\$16.09 plus \$0.05). A customer having a 5/8 inch meter who consumes at least 2,020 and not more than 2,029 gallons of water in any month shall pay the amount of \$16.20 for that month (\$16.09 plus \$0.11).

THE BASE RATE FOR PURCHASED WATER SHALL BE:

<u>Supplier</u>	<u>Rate</u>
Henderson Water Utilities (North) PWSID # 0510188	\$2.2118 Per 1,000 Gallons
Henderson Water Utilities (South) PWSID # 0510510	\$3.0668 Per 1,000 Gallons

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