

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF CUMBERLAND FALLS) CASE NO. 2012-00104
HIGHWAY WATER DISTRICT)

ORDER

On March 20, 2012, Cumberland Falls Highway Water District (“Cumberland Falls”) 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. Cumberland Falls purchases water from West Laurel Water Association (West Laurel), the city of Williamsburg (“Williamsburg”), and the city of Corbin (“Corbin”).

2. On December 20, 2011, West Laurel² was authorized to increase its volumetric wholesale rate to Cumberland Falls from \$3.62 per 1,000 gallons to \$4.46 per 1,000 gallons.

3. On March 16, 2012, Williamsburg filed with the Commission an amendment to its water purchase contract with Cumberland Falls in which the parties

¹ KRS 278.015; 807 KAR 5:068.

² Case No. 2011-00457, Purchased Water Adjustment Filing of West Laurel Water Association (Ky. PSC Dec. 20, 2011).

agreed to an increase in the volumetric rate from \$2.20 per 1,000 gallons to \$2.50 per 1,000 gallons. This amendment became effective upon its filing with the Commission.

4. Cumberland Falls proposes a purchased water adjustment factor of \$0.28 per 1,000 gallons to be applied to its rates.

5. On March 22, 2012, Cumberland Falls increased its rates for water service by \$0.28 per 1,000 gallons. This increase is commensurate with the increase in its supplier's wholesale rate.

6. During the 12 months ending December 31, 2011, Cumberland Falls purchased 32,777,700 gallons of water from West Laurel, 59,175,000 gallons of water from Williamsburg, and 161,895,000 gallons of water from Corbin. It sold 163,024,100 gallons of water.

7. The purchased water adjustment factor of \$0.28 per 1,000 gallons is fair, just, and reasonable and should be approved.

8. The rates set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for water service that Cumberland Falls renders on and after March 22, 2012.

IT IS THEREFORE ORDERED that:

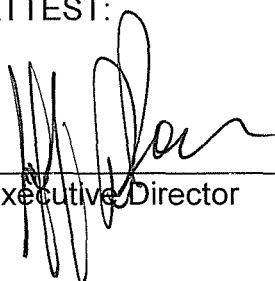
1. Cumberland Falls' proposed rates are approved.
2. The purchased water adjustment factor of \$0.28 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B are approved for service rendered on or after March 22, 2012.

4. Cumberland Falls' proposed tariff sheet filed with the application is approved.

By the Commission

ENTERED PA
APR 13 2012
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00104 DATED APR 13 2012

	New Rate	Base Rate
West Laurel WA		
Purchases in gallons	32,777,700	32,777,700
Volumetric rate	<u>\$4.46 /1,000</u>	<u>\$3.62/1,000</u>
	\$146,188.54	\$118,655.27
Williamsburg		
Purchases in gallons	59,175,000	59,175,000
Volumetric rate	<u>\$2.50 /1,000</u>	<u>\$2.20/1,000</u>
	\$147,937.50	\$130,185.00
Corbin		
Purchases in gallons	161,895,000	161,895,000
Volumetric rate	<u>NO CHANGE</u>	<u>NO CHANGE</u>
Increased water cost		\$45,285.77
Increased water cost		\$45,285.77
Divided by gallons sold		<u>163,024,100</u>
Purchased water adjustment factor		\$ 0.27778
		or \$0.28 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00104 DATED APR 13 2012

The following rates and charges are prescribed for the customers in the area served by Cumberland Falls Highway 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	1,000 gallons	\$ 17.36	Minimum Bill
Over	1,000 gallons	7.16	per 1,000 gallons

1" Meter

First	5,000 gallons	\$ 46.00	Minimum Bill
Over	5,000 gallons	7.16	per 1,000 gallons

2" Meter

First	25,000 gallons	\$ 189.20	Minimum Bill
Over	25,000 gallons	7.16	per 1,000 gallons

Carlos F Miller
Vice President
Kenvirons, Inc.
452 Versailles Road
Frankfort, KENTUCKY 40602

Bill Perkins
Chairman
Cumberland Falls Highway Water District
3822 Cumberland Falls Highway
Corbin, KY 40701-8637