

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT                    )  
FILING OF MAGOFFIN COUNTY                    ) CASE NO. 2012-00581  
WATER DISTRICT                                    )

ORDER

On December 20, 2012, Magoffin County Water District (“Magoffin District”) 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. Magoffin District purchases water from Salyersville Water Works (“Salyersville”).

2. On November 27, 2012, Salyersville Water Works Commission voted to increase its rates for wholesale water service to Magoffin District.<sup>2</sup> Effective January 10, 2013, Salyersville adjusted and revised its wholesale water rate to Magoffin District from a two-step rate, in which the rate for the first 8,000,000 gallons of water purchased during the billing period is \$2.50 per 1,000 gallons and the rate for all usage in excess of

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<sup>1</sup> KRS 278.015; 807 KAR 5.068.

<sup>2</sup> Minutes of November 27, 2012 Meeting of Salyersville Water Works Commission (filed on Dec. 20, 2012 with Tariff Filing TFS2012-01172).

8,000,000 gallons during the billing period is \$2.65 per 1,000 gallons, to a flat rate of \$2.65 per 1,000 gallons.<sup>3</sup>

3. Magoffin District proposes to increase its rates for water service effective January 10, 2013 to pass through its increased purchased water costs.

4. During the 12 months ending October 31, 2012, Magoffin District purchased a total of 188,438,000 gallons of water from Salyersville and sold 167,950,000 gallons of water. The increase in the cost of purchased water is \$14,400 and results in a purchased water adjustment of \$0.09 per 1,000 gallons.

5. A purchased water adjustment of \$0.09 per 1,000 gallons is fair, just, and reasonable and should be approved.

6. Magoffin District's proposed rates, which are set forth in Appendix B to this Order, reflect a purchased water adjustment of \$0.09 per 1,000 gallons as applied to Magoffin District's current rates.

7. Magoffin District's proposed rates, are fair, just, and reasonable and should be approved for water service rendered on or after January 10, 2013.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.09 per 1,000 gallons, as calculated in Appendix A, is approved.

2. Magoffin District's proposed rates are approved for water service rendered on or after January 10, 2013.

3. Magoffin District's proposed tariff sheets are approved as filed.

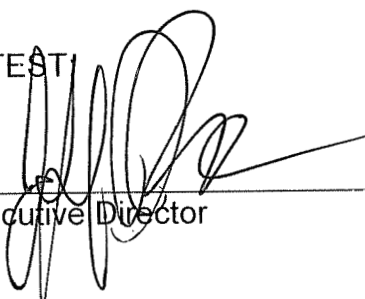
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<sup>3</sup> Case No. 2013-00020, Application of Salyersville for Acceptance and Expedited Implementation of Adjustments to Its Wholesale Water Service Rate to Magoffin County Water District (Ky. PSC Jan. 18, 2013).

By the Commission

ENTERED *A*  
JAN 18 2013  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST

  
\_\_\_\_\_  
Executive Director

Case No. 2012-00581

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2012-00581 DATED JAN 18 2013

	New Rate	Base Rate
Magoffin District		
Purchases in gallons	188,438,000	96,000,000
Volumetric rate	<u>\$ 2.65/1,000</u>	<u>\$ 2.50/1,000</u>
	\$499,360.70	\$240,000.00
		92,438,000
		<u>\$ 2.65/1000</u>
		\$244,960.70
Increased water cost	\$14,400.00	
Increased water cost		\$ 14,400.00
Divided by gallons sold/1,000		<u>167,950,000</u>
		\$ 0.0857
Purchased water adjustment factor		\$0.09 per 1,000 gallons

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2012-00581 DATED JAN 18 2013

The following rates and charges are prescribed for the customers of Magoffin 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

##### Residential Rates

###### 5/8 x 3/4-Inch Meter

First	2,000	gallons	\$ 14.90	Minimum bill
Next	3,000	gallons	6.65	per 1,000 gallons
Next	5,000	gallons	6.15	per 1,000 gallons
Over	10,000	gallons	5.65	per 1,000 gallons

###### 1-Inch Meter

First	5,000	gallons	\$ 34.85	Minimum bill
Next	5,000	gallons	6.15	per 1,000 gallons
Next	10,000	gallons	5.65	per 1,000 gallons

##### Commercial Rates

###### 3/4-Inch Meter

First	3,000	gallons	\$ 26.70	Minimum bill
Next	2,000	gallons	8.55	per 1,000 gallons
Next	5,000	gallons	7.90	per 1,000 gallons
Next	5,000	gallons	7.25	per 1,000 gallons
All Over	15,000	gallons	6.95	per 1,000 gallons

###### 1-Inch Meter

First	5,000	gallons	\$ 43.80	Minimum bill
Next	5,000	gallons	7.90	per 1,000 gallons
Next	5,000	gallons	7.25	per 1,000 gallons
Over	15,000	gallons	6.95	per 1,000 gallons

###### 2-Inch Meter

First	15,000	gallons	\$ 119.55	Minimum bill
Over	15,000	gallons	6.95	per 1,000 gallons

James W Hoskins  
Superintendent  
Magoffin County Water District  
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Salyersville, KY 41465