

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT	)	
FILING OF JESSAMINE-SOUTH	)	CASE NO. 2013-00401
ELKHORN WATER DISTRICT	)	

ORDER

On November 14, 2013, Jessamine-South Elkhorn Water District (“Jessamine-South Elkhorn”) 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. Jessamine-South Elkhorn purchases water from Kentucky-American Water Company (“Kentucky-American”).

2. On July 27, 2013, Kentucky-American increased its service charge rate of its metering locations to Jessamine-South Elkhorn from \$489.50 per month to \$684.75 per month and from \$142.40 per month to \$193.20 per month and decreased its wholesale water volumetric rate from \$4.20933 per 1,000 gallons to \$4.20930 per 1,000 gallons.<sup>2</sup>

3. Jessamine-South Elkhorn’s application contained a mathematical error in the computation of the proposed purchase water factor. The correct purchase water

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

<sup>2</sup> See Case No. 2012-00520, *Application of Kentucky-American Water Company for an Adjustment of Rates Supported by a Fully Forecasted Test Year* (Ky. PSC Oct. 25, 2013).

factor, as reflected in the calculations shown in Appendix A to this Order, is \$0.02 per thousand gallons.

4. On November 5, 2013, Jessamine-South Elkhorn adjusted its rates to reflect the increase in Kentucky-American's wholesale rates.

5. During the 12 months ended September 30, 2013, Jessamine-South Elkhorn purchased 218,490,490 gallons of water from Kentucky-American and sold 186,819,440 gallons of water.

6. A purchased water adjustment factor of \$0.02 per 1,000 gallons is fair, just, and reasonable and should be approved.

7. The rates set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for water service that Jessamine-South Elkhorn renders on and after November 5, 2013.

IT IS THEREFORE ORDERED that:

1. Jessamine-South Elkhorn's proposed rates are denied.

2. The purchased water adjustment factor of \$0.02 per 1,000 gallons is approved.

3. The rates in Appendix B are approved for service that Jessamine-South Elkhorn renders on or after November 5, 2013.

4. Within 20 days of the date of this Order, Jessamine-South Elkhorn shall file with the Commission, using the Commission's Electronic Tariff Filing System, revised tariff sheets showing the approved rates, with an effective date of November 5, 2013.

By the Commission

ENTERED  
**DEC 03 2013**  
KENTUCKY PUBLIC  
SERVICE COMMISSION

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2013-00401 DATED **DEC 03 2013**

	New Rate	Base Rate
Kentucky-American		
Purchases in gallons	218,490,490	218,490,490
Service Charge #1	\$684.75/month	\$489.50/month
Service Charge #2	<u>\$193.20/month</u>	<u>\$142.40/month</u>
Increased cost		\$2,946.05
Volumetric rate	\$4.20930	\$4.20933
Increased cost		\$2,946.05
Divided by gallons sold/1,000		<u>186,819,440</u>
Purchased water adjustment factor		\$0.01577
		or \$0.02 per 1,000 gallons

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2013-00401 DATED **DEC 03 2013**

The following rates and charges are prescribed for the customers in the area served by Jessamine-South Elkhorn 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 Volume Rates

##### 5/8-Inch Meter

First	2,000 gallons	\$26.28	Minimum bill
Next	2,000 gallons	7.49	per 1,000 gallons
Next	2,000 gallons	7.39	per 1,000 gallons
Next	10,000 gallons	7.29	per 1,000 gallons
Next	8,000 gallons	7.19	per 1,000 gallons
Over	24,000 gallons	7.09	per 1,000 gallons

##### 1-Inch Meter

First	10,000 gallons	\$85.20	Minimum bill
Next	6,000 gallons	7.29	per 1,000 gallons
Next	8,000 gallons	7.19	per 1,000 gallons
Over	24,000 gallons	7.09	per 1,000 gallons

##### 2-Inch Meter

First	24,000 gallons	\$186.46	Minimum bill
Over	24,000 gallons	7.09	per 1,000 gallons

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