

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LYON COUNTY WATER)	CASE NO.
DISTRICT FOR PURCHASED WATER)	2014-00313
ADJUSTMENT)	

ORDER

On September 2, 2014, Lyon County Water District (“Lyon County”) submitted an application 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. Lyon County purchases water from Princeton Water & Wastewater (“Princeton”), Kuttawa Water & Gas, Crittendon-Livingston County Water District, the city of Eddyville, and Barkley Lake Water District.

2. On August 1, 2014, Princeton increased its wholesale water rate to Lyon County from \$2.706 per 1,000 gallons to \$3.058 per 1,000 gallons.² Lyon County proposes to increase the water rates to its customers effective September 1, 2014.

3. During the 12 months ended June 30, 2014, Lyon County purchased 111,872,213 gallons of water, 51,201,923 of which were purchased from Princeton, and sold 83,855,800 gallons during the same 12 months. The increase in the cost of

¹ KRS 278.015; 807 KAR 5:068.

² TFS 2014-00412 (Ky. PSC filed June 30, 2014); The tariff was accepted for filing by the Commission by letter dated July 31, 2014.

purchased water is \$18,023.08, resulting in a purchased water adjustment factor of \$0.22 per 1,000 gallons

4. The purchased water adjustment of \$0.22 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

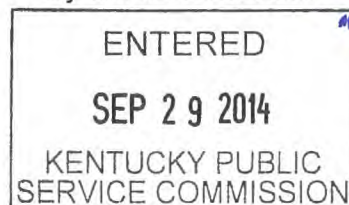
5. Lyon County has proposed rates for a 3/4-inch meter which is no longer in use or in its current tariff. Because this meter size is no longer in use, the corresponding rate increase should be denied.

6. The remaining rates as set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for water service rendered on and after September 1, 2014.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.22 per 1,000 gallons is approved.
2. Lyon County's proposed rates for 3/4-inch meters are denied.
3. The rates in Appendix B are approved for service rendered on or after September 1, 2014.
4. Within 20 days of the date of this Order, Lyon County 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:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00313 DATED **SEP 29 2014**

	New Rate	Base Rate
Lyon County		
Purchases in gallons	51,201,923	51,201,923
Volumetric rate	<u>\$3.058/1,000</u>	<u>\$ 2.706/1,000</u>
	\$ 156,575.48	\$ 138,552.40
Increased water cost		\$18,023.08
Increased water cost		\$ 18,023.08
Divided by gallons sold/1,000		<u>83,855,800</u>
		\$ 0.2149
Purchased water adjustment factor		\$0.22 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2014-00313 DATED **SEP 29 2014**

The following rates and charges are prescribed for the customers in the area served by Lyon 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-Inch Meter

First	2,000 gallons	\$	19.98 Minimum Bill
Next	3,000 gallons		8.48 per 1,000 gallons
Next	5,000 gallons		6.45 per 1,000 gallons
Next	10,000 gallons		4.42 per 1,000 gallons
Over	20,000 gallons		3.92 per 1,000 gallons

1-Inch Meter

First	15,000 gallons	\$	81.89 Minimum Bill
Next	5,000 gallons		3.69 per 1,000 gallons
Over	20,000 gallons		3.29 per 1,000 gallons

1 1/2-Inch Meter

First	25,000 gallons	\$	116.75 Minimum Bill
Over	25,000 gallons		3.29 per 1,000 gallons

2-Inch Meter

First	45,000 gallons	\$	182.46 Minimum Bill
Over	45,000 gallons		3.29 per 1,000 gallons

Terry McKinney
Chairman
Lyon County Water District
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