

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|--------------------------------------|---|------------|
| PURCHASED WATER ADJUSTMENT FILING OF |) | CASE NO. |
| KNOX COUNTY UTILITY COMMISSION |) | 2014-00324 |

ORDER

On September 8, 2014, Knox County Utility Commission (“Knox”) 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. Knox purchases water from the Pineville Utility Commission (“Pineville”), the Barbourville Utility Commission, and the Corbin Utility Commission.

2. On August 1, 2014, Pineville increased its wholesale rate to Knox from \$2.77 per 1,000 gallons to \$2.96 per 1,000 gallons.² Knox proposed to increase the water rates to its customers effective October 1, 2014, to reflect the change in its cost of purchased water.

3. During the 12 months ended July 31, 2013, Knox purchased 11,207,000 gallons of water from Pineville and sold 131,692,000 gallons. The increase in the cost of purchased water is \$2,129.33, resulting in a purchased water adjustment of \$0.02 per 1,000 gallons.

¹ KRS 278.015; 807 KAR 5:068.

² TFS 2014-00370 (Ky. PSC Filed June 16, 2014); The tariff was accepted for filing by the Commission by letter dated July 31, 2014.

4. The purchased water adjustment of \$0.02 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

5. Knox's proposed 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 October 1, 2014.

IT IS THEREFORE ORDERED that:

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

2. Knox's proposed rates are approved for water service rendered on and after October 1, 2014.

3. Within 20 days of the date of this Order, Knox 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. 2014-00324 DATED **OCT 01 2014**

| | New Rate | Base Rate |
|-----------------------------------|----------------------|--|
| Knox | | |
| Purchases in gallons | | |
| Pineville | 11,207,000 | 11,207,000 |
| Volumetric rate | <u>\$ 2.96/1,000</u> | <u>\$ 2.77/1,000</u> |
| | \$ 33,172.72 | \$ 31,043.39 |
| Increased water cost | | \$2,129.33 |
| Increased water cost | | \$2,129.33 |
| Divided by gallons sold/1,000 | | <u>131,692,000</u> |
| Purchased water adjustment factor | | \$ 0.01669 per 1,000 gallons or \$ 0.02 per 1,000 gallons |

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2014-00324 DATED **OCT 01 2014**

The following rates and charges are prescribed for the customers in the area served by Knox County Utility Commission. 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-Inch Meter

| | | |
|-------|---------------|------------------------|
| First | 1,000 gallons | \$ 15.43 Minimum Bill |
| Over | 1,000 gallons | 6.10 per 1,000 gallons |

1-Inch Meter

| | | |
|-------|---------------|------------------------|
| First | 5,000 gallons | \$ 39.83 Minimum Bill |
| Over | 5,000 gallons | 6.10 per 1,000 gallons |

2-Inch Meter

| | | |
|-------|----------------|------------------------|
| First | 20,000 gallons | \$ 131.33 Minimum Bill |
| Over | 20,000 gallons | 6.10 per 1,000 gallons |

3-Inch Meter

| | | |
|-------|----------------|------------------------|
| First | 30,000 gallons | \$ 192.33 Minimum Bill |
| Over | 30,000 gallons | 6.10 per 1,000 gallons |

4-Inch Meter

| | | |
|-------|----------------|------------------------|
| First | 50,000 gallons | \$ 314.33 Minimum Bill |
| Over | 50,000 gallons | 6.10 per 1,000 gallons |

Multiple Meter Connections

\$ 15.43 per connection

Carolyn Smith
Assistant Superintendent
Knox County Utility Commission
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