

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	CASE NO.
APPLICATION OF WATER SERVICE)	2014-00065
CORPORATION OF KENTUCKY)	

ORDER

On March 18, 2014, the Commission accepted Water Service Corporation of Kentucky's ("Water Service") 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. Water Service purchases water from Fern Lake Company ("Fern Lake").
2. In Case No. 2013-00172² Water Service entered into a Second Stipulation, Settlement, Agreement and Recommendation ("Stipulation") with Fern Lake. Pursuant to the Stipulation, Fern Lake's wholesale water rate to Water Service increases the minimum bill for the first 41,667,000 gallons of water from \$7,100 to \$10,267 and increases from \$0.18 to \$0.26 per 1,000 gallons of water over the minimum purchase. The Commission approved the terms of the Stipulation.³
3. Water Service proposed a purchased water adjustment factor of \$0.10 per 1,000 gallons.

¹ KRS 278.015; 807 KAR 5:067.

² Case No. 2013-00172, Application for Alternative Rate Filing of Fern Lake Company (Ky. PSC Dec. 12, 2013).

³ *Id.*

4. During the 12 months ended December 31, 2013, Water Service purchased 432,259,000 gallons of water from Fern Lake and sold 388,402,000 gallons of water. Water Service does not purchase more than the minimum bill in any given month.

5. The increase in Water Service's cost of purchased water is \$38,004 resulting in a purchased water adjustment factor of \$0.10 per 1,000 gallons.

6. The purchased water adjustment factor of \$0.10 per 1,000 gallons is fair, just, and reasonable and should be approved.

7. The rates in Appendix B to this Order are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. Water Service's proposed rates are approved.
2. The purchased water adjustment of \$0.10 per 1,000 gallons as calculated in Appendix A is approved.
3. Water Service's proposed effective date of March 28, 2014, is denied.
4. The rates in Appendix B to this Order are approved for service that Water Service renders on or after the date of this Order.
5. Within 20 days of the date of this Order, Water Service shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

By the Commission

ENTERED ⁰⁷
APR 07 2014
KENTUCKY PUBLIC
SERVICE COMMISSION

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
 COMMISSION IN CASE NO. 2014-00065 DATED **APR 07 2014**

	New Rate	Base Rate
Water Service		
Allowable Purchases in gallons	432,259,000	432,259,000
Minimum Bill	\$ 10,267/mth.	\$ 7,100/mth.
	<u> x 12</u>	<u> x 12</u>
	\$ 123,204	\$ 85,200

Increased water cost \$38,004

Increased water cost	\$ 38,004
Divided by gallons sold / 1,000	<u>388,402,000</u>
	\$ 0.0978

Purchased water adjustment factor \$ 0.10 per 1,000 gallons

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00065 DATED **APR 07 2014**

The following rates and charges are prescribed for the customers in the area served by Water Service Corporation of Kentucky. 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

Middlesboro

5/8- X 3/4-inch Meters

First 1,000 Gallons	\$9.06 Minimum Bill
Next 9,000 Gallons	3.71 Per 1,000 Gallons
Next 15,000 Gallons	3.39 Per 1,000 Gallons
Next 25,000 Gallons	3.22 Per 1,000 Gallons
Next 50,000 Gallons	2.89 Per 1,000 Gallons
Over 100,000 Gallons	2.65 Per 1,000 Gallons

1-inch Meters

First 6,000 Gallons	\$27.57 Minimum Bill
Next 4,000 Gallons	3.71 Per 1,000 Gallons
Next 15,000 Gallons	3.39 Per 1,000 Gallons
Next 25,000 Gallons	3.22 Per 1,000 Gallons
Next 50,000 Gallons	2.89 Per 1,000 Gallons
Over 100,000 Gallons	2.65 Per 1,000 Gallons

1 1/2-inch Meters

First 13,000 Gallons	\$52.52 Minimum Bill
Next 12,000 Gallons	3.39 Per 1,000 Gallons
Next 25,000 Gallons	3.22 Per 1,000 Gallons
Next 50,000 Gallons	2.89 Per 1,000 Gallons
Over 100,000 Gallons	2.65 Per 1,000 Gallons

2-inch Meters

First 21,400 Gallons	\$80.94 Minimum Bill
Next 3,600 Gallons	3.39 Per 1,000 Gallons
Next 25,000 Gallons	3.22 Per 1,000 Gallons
Next 50,000 Gallons	2.89 Per 1,000 Gallons
Over 100,000 Gallons	2.65 Per 1,000 Gallons

3-inch Meters

First 68,400 Gallons
Next 31,600 Gallons
Over 100,000 Gallons

\$226.89 Minimum Bill
2.89 Per 1,000 Gallons
2.65 Per 1,000 Gallons

4-inch Meters

First 127,500 Gallons
Over 127,500 Gallons

\$391.18 Minimum Bill
2.65 Per 1,000 Gallons

6-inch Meters

First 281,500 Gallons
Over 281,500 Gallons

\$799.56 Minimum Bill
2.65 Per 1,000 Gallons

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