

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF CANNONSBURG WATER)	CASE NO.
DISTRICT FOR A PURCHASED WATER)	2014-00448
ADJUSTMENT)	

ORDER

On December 29, 2014, Cannonsburg Water District (“Cannonsburg”) 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. Cannonsburg purchases water from the city of Ashland (“Ashland”) and Big Sandy Water District (“Big Sandy”).

2. On January 1, 2015, Ashland increased its wholesale water rate to Cannonsburg from \$2.73 per 1,000 gallons to \$2.83 per 1,000 gallons.² Cannonsburg proposed to increase its water rates to reflect the increased cost of purchased water effective January 1, 2015.

3. During the 12 months ended October 31, 2014, Cannonsburg purchased 418,400,000 gallons of water from Ashland and 3,052,200 gallons from Big Sandy, and

¹ KRS 278.015; 807 KAR 5:068.

² TFS 2014-00705 (Ky. PSC filed Nov. 24, 2014); The tariff was accepted for filing by the Commission by letter dated Dec. 22, 2014.

sold 292,531,700 gallons of water. The increase in the cost of purchased water is \$41,840.00, resulting in a purchased water adjustment factor of \$0.15 per 1,000 gallons.

4. In its application, Cannonsburg incorrectly calculated the increase in the cost of purchased water and the resulting purchased water adjustment factor.


5. The purchased water adjustment factor of \$0.15 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

6. The 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 January 1, 2015.

IT IS THEREFORE ORDERED that:

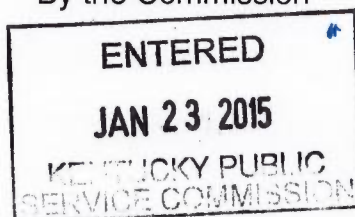
1. The purchased water adjustment of \$0.15 per 1,000 gallons is approved.
2. Cannonsburg's proposed rates are denied.
3. The rates set forth in Appendix B to this Order are approved for services rendered on and after January 1, 2015.
4. Within 20 days of the date of this Order, Cannonsburg shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

ATTEST:



Executive Director

By the Commission



APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00448 DATED **JAN 23 2015**

	New Rate	Base Rate
Cannonsburg		
Purchases in gallons	418,400,000	418,400,000
Volumetric rate	<u>\$ 2.83/1,000</u>	<u>\$ 2.73/1,000</u>
	\$ 1,184,072.00	\$ 1,142,232.00
 Big Sandy		
Purchases in gallons	3,052,200	3,052,200
Volumetric rate	<u>No change</u>	<u>No change</u>
	\$ 0	\$ 0
 Total		
	\$ 1,184,072.00	\$ 1,142,232.00

Increased water cost \$41,840.00

Increased water cost	\$ 41,840.00
Divided by gallons sold/1,000	<u>292,531,700</u>
	\$ 0.1430

Purchased water adjustment factor \$0.15 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2014-00448 DATED **JAN 23 2015**

The following rates and charges are prescribed for the customers in the area served by Cannonsburg 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 X 3/4-Inch Meter

First	2,000	Gallons	\$ 20.58	Minimum Bill
Next	3,000	Gallons	8.00	per 1,000 Gallons
Next	15,000	Gallons	7.59	per 1,000 Gallons
Next	30,000	Gallons	7.17	per 1,000 Gallons
Next	50,000	Gallons	6.77	per 1,000 Gallons
Over	100,000	Gallons	6.33	per 1,000 Gallons

1-Inch Meter

First	5,000	Gallons	\$ 44.58	Minimum Bill
Next	15,000	Gallons	7.59	per 1,000 Gallons
Next	30,000	Gallons	7.17	per 1,000 Gallons
Next	50,000	Gallons	6.77	per 1,000 Gallons
Over	100,000	Gallons	6.33	per 1,000 Gallons

2-Inch & 3-Inch Meter

First	20,000	Gallons	\$ 158.43	Minimum Bill
Next	30,000	Gallons	7.17	per 1,000 Gallons
Next	50,000	Gallons	6.77	per 1,000 Gallons
Over	100,000	Gallons	6.33	per 1,000 Gallons

6-Inch Meter

First	50,000	Gallons	\$ 373.53	Minimum Bill
Next	50,000	Gallons	6.77	per 1,000 Gallons
Over	100,000	Gallons	6.33	per 1,000 Gallons

12-Inch Meter

First	100,000	Gallons	\$ 712.03	Minimum Bill
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Over 100,000 Gallons	\$ 6.33 per 1,000 Gallons
Leak Adjustment Rate	\$ 4.21 per 1,000 Gallons

Wholesale Customer

Big Sandy Water District	\$ 4.21 per 1,000 Gallons
City of Greenup Co.	\$ 4.21 per 1,000 Gallons

Danny R Clarkston
Manager
Cannonsburg Water District
1606 Cannonsburg Road
Ashland, KY 41105