

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF) CASE NO.
LAKE VILLAGE WATER ASSOCIATION, INC.) 2015-00164

ORDER

On May 21, 2015, Lake Village Water Association, Inc. ("Lake Village") 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. Lake Village purchases water from the city of Danville ("Danville") and the city of Harrodsburg ("Harrodsburg").
2. Danville notified Lake Village that effective May 1, 2015, Danville would increase its wholesale rate subject to refund² to Lake Village from a declining block rate schedule to a flat rate of \$2.41 per 1,000 gallons. Lake Village proposed to increase the water rates to its customers effective May 15, 2015, to reflect the increased cost of purchased water.
3. Should the Commission approve a rate lower than currently proposed and implemented subject to refund by Danville, Lake Village should file a revised purchased water adjustment within 30 days of the Commission's Order in Case No. 2014-00392.³

¹ KRS 278.015; 807 KAR 5:068.

² Case No. 2014-00392, *Proposed Adjustment of the Wholesale Water Service Rates of City of Danville* (Ky. PSC May 5, 2015).

³ *Id.*

4. Lake Village proposed a purchased water adjustment factor of \$0.70⁴ per 1,000 gallons.

5. During the 12 months ended April 30, 2015, Lake Village purchased 163,983,591 gallons of water from Danville and 64,411,088 gallons of water from Harrodsburg, and sold 181,072,496 gallons of water. The increase in the cost of purchased water is \$126,225.82, resulting in a purchased water adjustment of \$0.70 per 1,000 gallons.

6. The purchased water adjustment factor of \$0.70 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

7. Lake Village's proposed rates, as set forth in Appendix B to this Order, are fair, just, and reasonable and should be approved subject to refund for water service rendered on and after May 15, 2015.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.70 per 1,000 gallons is approved subject to refund.

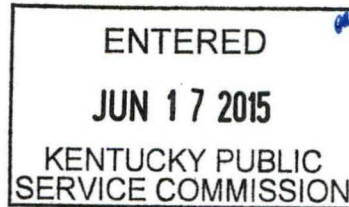
2. Lake Village's proposed rates, as set forth in Appendix B to this Order, are approved subject to refund for water service rendered on and after May 15, 2015.

3. Within 20 days of the date of this Order, Lake Village shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein subject to refund.

⁴ Letter from Mike Sanford, Executive Director, Lake Village Water Association, Inc., to Jeff Derouen, Executive Director, Public Service Commission, filed May 29, 2015.

4. Lake Village shall file a revised purchased water adjustment within 30 days of the Commission's Order in Case No. 2014-00392 approving a rate increase for Danville if the approved rate for Danville differs from the rates implemented subject to refund by Danville.

By the Commission



ATTEST:

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end.

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2015-00164 DATED **JUN 17 2015**

	New Rate	Base Rate
Lake Village Purchases in gallons		
Danville	163,983,591	163,983,591
Volumetric rate:	<u>\$ 2.41/1,000</u>	<u>See Below</u>
Total	\$ 395,200.45	

	Monthly Usage Gallons	GALLONS	RATE*	REVENUE
FIRST	149,600	6,196,671	2.245	\$ 13,911.53
NEXT	598,400	20,348,525	1.805	36,729.09
NEXT	748,000	19,581,892	1.404	27,492.98
NEXT	2,244,000	39,099,583	1.283	50,164.76
OVER	3,740,000	78,756,920	1.217	95,847.17
TOTAL		163,983,591		\$224,145.53

*Lake Village carries Danville's rate to the third decimal after conversion from the cubic feet rate.

20% surcharge calculated on monthly billed dollar amount \$ 44,829.11

Total Current Danville Rates \$268,974.64

Increased water cost \$126,225.82

Increased water cost \$126,225.82

Divided by gallons sold/1,000 181,072,496

Purchased water adjustment factor \$0.6971 per 1,000 gallons
or \$0.70 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2015-00164 DATED **JUN 17 2015**

The following rates and charges are prescribed for the customers in the area served by Lake Village Water Association, Inc. 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

First	2,000 gallons	\$25.00 Minimum Bill
Next	18,000 gallons	\$9.55 per 1,000 gallons
Over	20,000 gallons	\$7.57 per 1,000 gallons

Wholesale Water Rates

Northpoint Training Facility	\$3.20 per 1,000 gallons
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P. O. Box 303
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*Mike D Sanford
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