

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF) CASE NO.
BATH COUNTY WATER DISTRICT) 2016-00098

ORDER

On February 26, 2016, Bath County Water District ("Bath District") 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. Bath District purchases water from the Morehead Utility Plant Board ("Morehead") and Mount Sterling Water ("Mount Sterling").

2. On January 25, 2016, Morehead notified Bath District that it would increase its wholesale rate to Bath District from \$1.196 per 1,000 gallons to \$1.25 per 1,000 gallons and increase the capital costs charge from \$17,258.68 per month to \$17,326.84 per month effective January 1, 2016. On June 24, 2015, Mount Sterling notified Bath District that it would increase its wholesale rate to Bath District from \$2.77 per 1,000 gallons to \$2.85 per 1,000 gallons effective August 1, 2015.² Bath District proposed to increase the water rates to its customers effective February 15, 2016, to reflect the increased cost of purchased water.

¹ KRS 278.015; 807 KAR 5:068.

² TFS 2015-00387 (Ky. PSC filed June 22, 2015). The tariff was accepted for filing by the Commission by letter dated July 31, 2015.

3. Bath District proposed a purchased water adjustment factor of \$0.07 per 1,000 gallons.

4. Bath District's application contained a calculation error relating to its increase water costs. The calculation in Appendix A to this Order reflects the correct calculation for increased water costs. During the 12 months ended December 31, 2015, Bath District purchased 419,789,000 gallons of water from Morehead and 18,551,000 from Mount Sterling and sold 406,754,000 gallons. The increase in the cost of purchased water is \$24,970.61, resulting in a purchased water adjustment factor of \$0.07 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.07 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

6. Bath District's proposed rates should be approved.

7. The rates as set forth in Appendix B to this Order are fair, just and reasonable and should be approved for water service rendered by Bath District on and after February 15, 2016.

IT IS THEREFORE ORDERED that:

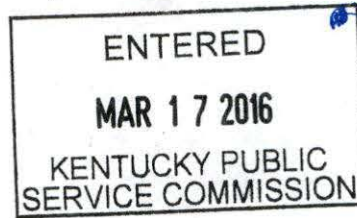
1. The purchased water adjustment factor of \$0.07 per 1,000 gallons is approved.

2. Bath District's proposed rates are approved.

3. The rates as set forth in Appendix B to this Order are approved for water service rendered by Bath District on and after February 15, 2016.

4. Within 20 days of the date of this Order, Bath District 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:


Acting Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
 COMMISSION IN CASE NO. 2016-00098 DATED **MAR 17 2016**

	New Rate	Base Rate
Bath District		
Purchases in gallons		
Morehead	419,789,000	419,789,000
Volumetric rate	<u>\$ 1.25/1,000</u>	<u>\$1.196/1,000</u>
	\$524,736.25	\$ 502,067.64
Capital Costs	\$17,326.84	\$17,258.68
Per Month	<u> x 12</u>	<u> x 12</u>
	\$207,922.08	\$207,104.16
Mount Sterling	18,551,000	18,551,000
Volumetric rate	<u>\$2.85/1,000</u>	<u>\$2.77/1,000</u>
	\$ 52,870.35	\$ 51,386.27
Total	\$785,528.68	\$760,558.07
Increased water cost		\$ 24,970.61
Increased water cost		\$ 24,970.61
Divided by gallons sold/1,000		<u>406,754,000</u>
Purchased water adjustment factor		\$ 0.06139 per 1,000 gallons or \$ 0.07 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2016-00098 DATED **MAR 17 2016**

The following rates and charges are prescribed for the customers in the area served by Bath 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	\$15.90 Minimum Bill
Next	3,000 gallons	6.10 per 1,000 gallons
Next	5,000 gallons	4.67 per 1,000 gallons
Next	10,000 gallons	4.01 per 1,000 gallons
Next	30,000 gallons	3.79 per 1,000 gallons
Over	50,000 gallons	3.67 per 1,000 gallons

1-Inch Meter

First	10,000 gallons	\$57.55 Minimum Bill
Next	10,000 gallons	4.01 per 1,000 gallons
Next	30,000 gallons	3.79 per 1,000 gallons
Over	50,000 gallons	3.67 per 1,000 gallons

2-Inch Meter

First	50,000 gallons	\$211.35 Minimum Bill
Over	50,000 gallons	3.67 per 1,000 gallons

Leak Adjustment Rate	2.90 per 1,000 gallons
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Wholesale Water Rates

Sharpsburg Water District	3.38 per 1,000 gallons
City of Frenchburg	2.93 per 1,000 gallons
City of Owingsville	2.52 per 1,000 gallons

Bulk Sales	8.46 per 1,000 gallons
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