

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF)	CASE NO.
SIMPSON COUNTY WATER DISTRICT)	2016-00420

ORDER

On December 2, 2016, Simpson County Water District (“Simpson County”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission notes that in its 2015 Annual Report, Simpson County reported a water loss of 15.5136 percent. Commission regulation 807 KAR 5:066(6)(3) states that for ratemaking purposes, a utility’s unaccounted-for water loss shall not exceed 15 percent of total water produced and purchased, excluding water used by a utility in its own operations.

The Commission strongly encourages Simpson County to pursue reasonable actions to reduce its water loss.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Simpson County purchases water from White House Utility District (“White House”).
2. In a letter dated Nov. 28, 2016, White House notified Simpson County, that White House’s wholesale rate to Simpson County would increase from \$2.5541 per

¹ KRS 278.015; 807 KAR 5:068.

1,000 gallons to \$2.6592 per 1,000 gallons effective January 1, 2017. Simpson County proposes to increase the water rates to its customers effective January 1, 2017, to reflect the increased cost of purchased water.

3. Simpson County proposes a purchased water adjustment factor of \$0.13 per 1,000 gallons.

4. During the 12 months ended October 31, 2016, Simpson County purchased 385,793,150 gallons of water from White House. During the same period, Simpson County sold 328,829,520 gallons of water. The increase in the cost of purchased water is \$40,546.86, resulting in a purchased water adjustment factor of \$0.13 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.13 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

6. Simpson County'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 by Simpson County on and after January 1, 2017.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.13 per 1,000 gallons is approved.

2. Simpson County's proposed rates, as set forth in Appendix B to this Order, are approved for water service rendered by Simpson County on and after January 1, 2017.

3. Within 20 days of the date of this Order, Simpson County 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
DEC 22 2016
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00420 DATED **DEC 22 2016**

	New Rate	Base Rate
Simpson County		
Purchases in gallons		
White House	385,793,150	385,793,150
Volumetric rate	<u>\$2.6592/1,000</u>	<u>\$2.5541/1,000</u>
	\$1,025,901.14	\$985,354.28

Increased water cost \$40,546.86

Increased water cost	\$ 40,546.86
Divided by gallons sold/1,000	<u>328,829,520</u>
Purchased water adjustment factor	\$ 0.1233
	or \$ 0.13 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2016-00420 DATED **DEC 22 2016**

The following rates and charges are prescribed for the customers in the area served by Simpson 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 Rates

5/8- X 3/4-Inch Meters

First 2,000 Gallons	\$16.11 Minimum Bill
Next 8,000 Gallons	5.80 Per 1,000 Gallons
Next 190,000 Gallons	5.19 Per 1,000 Gallons
Next 400,000 Gallons	4.86 Per 1,000 Gallons
Over 600,000 Gallons	3.58 Per 1,000 Gallons

3/4-Inch Meters

First 3,000 Gallons	\$22.42 Minimum Bill
Next 7,000 Gallons	5.80 Per 1,000 Gallons
Next 190,000 Gallons	5.19 Per 1,000 Gallons
Next 400,000 Gallons	4.86 Per 1,000 Gallons
Over 600,000 Gallons	3.58 Per 1,000 Gallons

1-Inch Meters

First 5,000 Gallons	\$34.52 Minimum Bill
Next 5,000 Gallons	5.80 Per 1,000 Gallons
Next 190,000 Gallons	5.19 Per 1,000 Gallons
Next 400,000 Gallons	4.86 Per 1,000 Gallons
Over 600,000 Gallons	3.58 Per 1,000 Gallons

1 1/2-Inch Meters

First 10,000 Gallons	\$69.54 Minimum Bill
Next 190,000 Gallons	5.19 Per 1,000 Gallons
Next 400,000 Gallons	4.86 Per 1,000 Gallons
Over 600,000 Gallons	3.58 Per 1,000 Gallons

2-Inch Meters

First 16,000 Gallons
Next 184,000 Gallons
Next 400,000 Gallons
Over 600,000 Gallons

\$102.19 Minimum Bill
5.19 Per 1,000 Gallons
4.86 Per 1,000 Gallons
3.58 Per 1,000 Gallons

3-Inch Meters

First 30,000 Gallons
Next 170,000 Gallons
Next 400,000 Gallons
Over 600,000 Gallons

\$201.90 Minimum Bill
5.19 Per 1,000 Gallons
4.86 Per 1,000 Gallons
3.58 Per 1,000 Gallons

4-Inch Meters

First 50,000 Gallons
Next 150,000 Gallons
Next 400,000 Gallons
Over 600,000 Gallons

\$311.71 Minimum Bill
5.19 Per 1,000 Gallons
4.86 Per 1,000 Gallons
3.58 Per 1,000 Gallons

6-Inch Meters

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

\$585.25 Minimum Bill
5.19 Per 1,000 Gallons
4.86 Per 1,000 Gallons
3.58 Per 1,000 Gallons

8-Inch Meters

First 160,000 Gallons
Next 40,000 Gallons
Next 400,000 Gallons
Over 600,000 Gallons

\$916.71 Minimum Bill
5.19 Per 1,000 Gallons
4.86 Per 1,000 Gallons
3.58 Per 1,000 Gallons

10-Inch Meters

First 550,000 Gallons
Next 50,000 Gallons
Over 600,000 Gallons

\$2,838.09 Minimum Bill
4.86 Per 1,000 Gallons
3.58 Per 1,000 Gallons

*John M Dix, P.E.
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