

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF) CASE NO.
SOUTH ANDERSON WATER DISTRICT) 2018-00274

ORDER

On August 17, 2018, South Anderson Water District (South Anderson 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. South Anderson District purchases water from the Frankfort Electric and Water Plant Board (Frankfort) and the city of Lawrenceburg (Lawrenceburg).
2. Frankfort notified South Anderson District that the Kentucky River Authority withdrawal fee would increase from \$0.2000 per 1,000 gallons to \$0.2900 per 1,000 gallons effective July 26, 2018.² Lawrenceburg notified South Anderson District that the Kentucky River Authority withdrawal fee would increase from \$0.1900 per 1,000 gallons to \$0.3410 per 1,000 gallons effective September 1, 2018.³ South Anderson District

¹ KRS 278.015; 807 KAR 5:068.

² TFS 2018-00313 (Ky. PSC filed June 26, 2018, amended); the amended tariff was accepted for filing by the Commission by letter dated July 25, 2018.

³ TFS 2018-00358 (Ky. PSC filed July 26, 2018); the tariff was accepted for filing by the Commission by letter dated Aug. 20, 2018.

proposes to increase the water rates to its customers effective September 1, 2018, to reflect the increased cost of purchased water from Frankfort and Lawrenceburg.

3. South Anderson District proposed a purchased water adjustment factor of \$0.1100 per 1,000 gallons for residential customers and \$0.1030 per 1,000 gallons for wholesale customers in its application.

4. During the 12-month period that ended May 31, 2018, South Anderson District purchased 114,689,500 gallons of water from Frankfort and purchased 82,447,000 gallons of water from Lawrenceburg. During the same period, South Anderson District sold 191,500,832 gallons of water. The increase in the cost of purchased water is \$22,771.56, resulting in a purchased water adjustment factor of \$0.1200 per 1,000 gallons for residential customers and \$0.1189 per 1,000 gallons for wholesale customers. South Anderson District had a calculation error in their application that affected the total increase in the cost of water. This calculation error does affect the increase to the residential customer and the increase to the wholesale customer.

5. The purchased water adjustment factor of \$0.1200 per 1,000 gallons for the residential customers and the \$0.1189 per 1,000 gallons for the wholesale customers, as calculated in Appendix A to this Order, is fair, just, and reasonable, and should be approved.

6. South Anderson District's proposed residential rates and wholesale rate should be denied.

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 South Anderson District on and after September 1, 2018.

8. South Anderson District provided a Customer Notice with its application; the Commission notes that the notice does not meet the minimum requirements. The Customer Notice provided in the application does not provide the increase in the rates by dollar amounts for each customer classification as required. South Anderson District should correct the Customer Notice prior to publishing the notice and filing it with the Commission.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.1200 per 1,000 gallons for residential customers and the purchased water adjustment factor of \$0.1189 per 1,000 gallons for wholesale customers are approved.

2. The residential rates and the wholesale rates proposed by South Anderson District are denied.

3. The rates as set forth in Appendix B to this Order are approved for water service rendered by South Anderson District on and after September 1, 2018.

4. Within 20 days of the date of entry of this Order, South Anderson District shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

5. Within 30 days of the date of entry of this Order, South Anderson District shall file with the Commission Proof of Notice pursuant to 807 KAR 5:068, Section 5(3).

6. Any document filed, pursuant to ordering paragraph 5 of this Order, shall reference this case number and shall be retained in the post-case correspondence file.

7. This case is closed and removed from the Commission's docket.

By the Commission



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2018-00274 DATED **SEP 10 2018**

	New Rate	Base Rate
Frankfort		
Purchases in Gallons	114,689,500	114,689,500
Wholesale rate	NO CHANGE	NO CHANGE
KRA Fee	<u>\$ 0.290/1,000</u>	<u>\$ 0.200/1,000</u>
Sub-Total	\$33,259.96	\$22,937.90
Lawrenceburg		
Purchases in Gallons	82,447,000	82,447,000
Wholesale rate	NO CHANGE	NO CHANGE
KRA Fee	<u>\$ 0.341/1,000</u>	<u>\$ 0.190/1,000</u>
Sub-Total	\$28,114.43	\$15,664.93
Total	\$61,374.39	\$38,602.83
Increased water cost		\$ 22,771.56
Increased water cost		\$ 22,771.56
Divided by Gallons sold/1,000		<u>191,500,832</u>
Purchased water adjustment factor		\$ 0.1189 per 1,000 Gallons
Residential Customers		or \$ 0.1200 per 1,000 Gallons
Wholesale Customers		or \$ 0.1189 per 1,000 Gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2018-00274 DATED **SEP 10 2018**

The following rates and charges are prescribed for the customers in the area served by South Anderson Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First 2,000 Gallons	\$ 20.17 Minimum Bill
Next 3,000 Gallons	9.91 per 1,000 Gallons
Next 5,000 Gallons	7.66 per 1,000 Gallons
Over 10,000 Gallons	6.16 per 1,000 Gallons
Bulk Loading Station	4.19 per 1,000 Gallons
Wholesale Rate	
First 3,000,000 Gallons	\$ 3.6703 per 1,000 Gallons
Over 3,000,000 Gallons	3.1670 per 1,000 Gallons

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