

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF) CASE NO.
U.S 60 WATER DISTRICT) 2018-00245

ORDER

On July 13, 2018, U.S. 60 Water District (U.S. 60 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. U.S. 60 District purchases water from the Frankfort Electric and Water Plant Board (Frankfort) and Shelbyville Municipal Utilities (Shelbyville).
2. Frankfort notified U.S. 60 District that its wholesale rate would increase from \$2.55 per 1,000 gallons to \$2.64 per 1,000 gallons effective July 26, 2018.² U.S. 60 District proposes to increase the water rates to its customers effective July 26, 2018, to reflect the increased cost of purchased water from Frankfort.
3. U.S. 60 District proposed a purchased water adjustment factor of \$0.10 per 1,000 gallons in its application.

¹ KRS 278.015; 807 KAR 5:068.

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

4. During the 12-month period that ended April 30, 2018, U.S. 60 District purchased 143,010,200 gallons of water from Frankfort and 44,107,900 gallons of water from Shelbyville. During the same period, U.S. 60 District sold 139,633,900 gallons of water. The increase in the cost of purchased water is \$12,870.92, resulting in a purchased water adjustment factor of \$0.10 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.10 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable, and should be approved.

6. U.S. 60 District misapplied the \$0.10 per 1,000-gallon factor to its proposed volumetric rate for the 1- and 2-inch meters, and the Bulk User Rate in its proposed tariff. Therefore, U.S. 60 District's proposed rates 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 U.S. 60 District on and after July 26, 2018.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.10 per 1,000 gallons is approved.

2. The rates proposed by U.S. 60 District are denied.

3. The rates as set forth in Appendix B to this Order are approved for water service rendered by U.S. 60 District on and after July 26, 2018.

4. Within 20 days of the date of entry of this Order, U.S. 60 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

ENTERED
AUG 06 2018
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2018-00245

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2018-00245 DATED **AUG 06 2018**

	New Rate	Base Rate
Frankfort		
Purchases in Gallons	143,010,200	143,010,200
Wholesale rate	<u>\$ 2.64/1000</u>	<u>\$ 2.55/1000</u>
	\$377,546.93	\$364,676.01
Shelbyville		
Purchases in Gallons	44,107,900	44,107,900
Wholesale rate	<u>\$ 2.11/1000</u>	<u>\$ 2.11/1000</u>
	\$93,067.67	\$93,067.67
Total Purchase cost	\$470,614.60	\$457,743.68
Increased water cost		\$ 12,870.92
Increased water cost		\$ 12,870.92
Divided by Gallons sold/1,000		<u>139,633,900</u>
Purchased water adjustment factor		\$ 0.092 per 1,000 Gallons
		or \$ 0.10 per 1,000 Gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2018-00245 DATED **AUG 06 2018**

The following rates and charges are prescribed for the customers in the area served by U.S. 60 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

5/8-Inch x 3/4-Inch Meter

First	1,000 Gallons	\$ 17.08 Minimum Bill
Next	2,000 Gallons	9.41 per 1,000 Gallons
Next	2,000 Gallons	7.91 per 1,000 Gallons
Over	5,000 Gallons	7.19 per 1,000 Gallons

1-Inch Meter

First	5,000 Gallons	\$ 51.72 Minimum Bill
Over	5,000 Gallons	7.19 per 1,000 Gallons

2-Inch Meter

First	25,000 Gallons	\$ 195.52 Minimum Bill
Over	25,000 Gallons	7.19 per 1,000 Gallons

Bulk User Rate

First	1,000 Gallons	\$ 4.22 Minimum Bill
Over	1,000 Gallons	4.22 per 1,000 Gallons

Wholesale Water Rate

First	25,000 Gallons	\$ 164.78 Minimum Bill
Over	25,000 Gallons	6.06 per 1,000 Gallons

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