

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED WATER)	CASE NO.
ADJUSTMENT FILING OF LETCHER COUNTY)	2020-00037
WATER AND SEWER DISTRICT)	

ORDER

On February 26, 2020, Letcher County Water and Sewer District (Letcher District) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹ Letcher District supplemented the application on March 11, 2020, with revised sales information, resulting in a revised purchased water adjustment factor.

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

1. Letcher District purchases water from Knott County Water District (Knott District), the city of Whitesburg (Whitesburg), the city of Jenkins (Jenkins), and Perry County Water & Sewer (Perry County).
2. Knott District notified Letcher District that on February 20, 2020, it would be increasing its wholesale water rate from \$3.00 per 1,000 gallons to \$3.27 per 1,000 gallons. Letcher District proposes to increase the water rates to its customers effective February 20, 2020.
3. Letcher District proposed a purchased water adjustment factor of \$0.29 per 1,000 gallons.

¹ KRS 278.015; 807 KAR 5:068.

4. During the 12 months ended December 31, 2019, Letcher District purchased 193,106,000 gallons from Knott District, 4,815,270 gallons from Whitesburg, 17,072,000 gallons from Jenkins, and 2,499,990 gallons from Perry County. Letcher District sold 182,461,000 gallons of water during the same 12 months. The increase in the cost of purchased water is \$52,138.62, resulting in a purchased water adjustment factor of \$0.29 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.29 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

6. Letcher District'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 Letcher District on and after February 20, 2020.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.29 per 1,000 gallons is approved.

2. The rates as set forth in Appendix B to this Order are approved for water service rendered by Letcher District on and after February 20, 2020.

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

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

By the Commission

ENTERED
MAR 23 2020 rca
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2020-00037

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2020-00037 DATED MAR 23 2020

	Base Rate	New Rate	Increased Cost
Knott District			
Purchases in Gallons	193,106,000	193,106,000	
Wholesale rate	<u>\$3.00/1,000</u>	<u>\$3.27/1,000</u>	
	\$ 579,318.00	\$ 631,456.62	\$52,138.62
Whitesburg			
Purchases in Gallons	4,815,270	4,815,270	
Wholesale rate	<u>\$ 3.00/1,000</u>	<u>\$ 3.00/1,000</u>	
	\$14,445.81	\$14,445.81	\$ 0.00
Jenkins			
Purchases in Gallons	17,072,000	17,072,000	
Wholesale rate	<u>\$ 3.00/1,000</u>	<u>\$3.00/1,000</u>	
	\$51,216.00	\$51,216.00	\$ 0.00
Perry County			
Purchases in Gallons	2,499,990	2,499,990	
Wholesale rate	<u>\$3.00/1,000</u>	<u>\$3.00/1,000</u>	
	\$7,499.97	\$7,499.97	\$ 0.00
Increased water cost		\$52,138.62	
Divided by Gallons sold/1,000		<u>182,461,000</u>	
Purchased water adjustment factor		\$ 0.2857 per 1,000 Gallons	
		Or \$ 0.29 per 1,000 Gallons	

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2020-00037 DATED MAR 23 2020

The following rates and charges are prescribed for the customers in the area served by Letcher County Water and Sewer 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	\$28.08	Minimum Bill
Over 2,000 Gallons	7.79	per 1,000 Gallons
City of Neon	3.89	per 1,000 Gallons
Leak Adjustment Rate	4.72	per 1,000 Gallons

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