

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED WATER	)	CASE NO.
ADJUSTMENT FILING OF GREEN-TAYLOR	)	2020-00123
WATER DISTRICT	)	

ORDER

On April 8, 2020, Green-Taylor Water District (Green-Taylor District) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.<sup>1</sup> The filing was marked as deficient, and Green-Taylor District corrected this deficiency on April 21, 2020. The case now stands before the Commission for a decision.

The Commission notes that in its 2018 Annual Report, Green-Taylor District reported a water loss of 16.9473 percent.<sup>2</sup> Green-Taylor District's application provides updated purchase and sales information for a more current period than the 2018 Annual Report. 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 consumed by a utility in its own operations. Based upon the updated information in the application and the percentage of other water consumed by the utility in its 2018 Annual Report,<sup>3</sup> Green-Taylor District's unaccounted-for water

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<sup>1</sup> KRS 278.015; 807 KAR 5:068.

<sup>2</sup> 2018 Annual Report at 57, line 33.

<sup>3</sup> 2018 Annual Report, Water Statistics at 57, line 21, divided by line 4, (6,816 divided by 365,356) equals 1.85656 percent.

loss is determined to be 17.4571 percent for the updated period.<sup>4</sup> Reduction of Green-Taylor District's unaccounted-for water loss to 15 percent would result in an approximate \$20,758.83<sup>5</sup> decrease to purchased water expense. Potentially, Green-Taylor District is paying approximately \$0.07 per 1,000 gallons sold for expenses associated with unaccounted-for water loss in excess of the allowable 15 percent threshold.<sup>6</sup>

The Commission is placing greater emphasis on monitoring utilities that consistently exceed the 15 percent unaccounted-for water loss threshold and strongly encourages Green-Taylor District to pursue reasonable actions to reduce its unaccounted-for water loss. Failure by Green-Taylor District to make significant progress towards reducing unaccounted-for water loss may cause the Commission to pursue additional action with the utility.

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

1. Green-Taylor District purchases water from the Campbellsville Water (Campbellsville), Greensburg Water (Greensburg) and Green River Valley Water District (Green River Valley District).

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<sup>4</sup> Total Purchases (Application PWA Form at 3)	375,371,000
Less Total Sales (application PWA Form at 4)	302,839,373
Less plant use (% determined from 2018 Annual Report)	<u>7,002,838</u>
Water loss - gallons	65,528,789
Water loss - percent	17.4571

<sup>5</sup> Water loss above 15 percent is 2.4571 percent, potential purchased water expense reduction (Total water cost at new wholesale rate times water loss above 15 percent) = \$844,850.93 x .024571 = \$20,758.83.

<sup>6</sup> Potential purchased water expense reduction divided by sales (\$20,758.83/(302,839,373/1,000) equals \$0.07/1,000.

2. Green River Valley District notified Green-Taylor District that on September 27, 2019, it would be increasing its wholesale water rate to Green-Taylor District from \$2.14 per 1,000 gallons to \$2.59 per 1,000 gallons. Green-Taylor District proposes to increase the water rates to its customers effective May 15, 2020.

3. Green-Taylor District proposed a purchased water adjustment factor of \$0.073 per 1,000 gallons.

4. During the 12 months ended December 31, 2019, Green-Taylor District purchased 183,186,000 gallons from Campbellsville, 143,378,000 gallons from Greensburg, and 48,807,000 gallons from Green River Valley District. Green-Taylor District sold 302,839,373 gallons of water during the same 12 months. The increase in the cost of purchased water is \$21,963.15, resulting in a purchased water adjustment factor of \$0.08 per 1,000 gallons.

5. Green-Taylor District's proposed purchased water adjustment factor of \$0.073 per 1,000 gallons is denied.

6. The purchased water adjustment factor of \$0.08 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

7. Green-Taylor District's proposed rates are denied.

8. 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 Green-Taylor District on and after May 15, 2020.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.08 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 Green-Taylor District on and after May 15, 2020.
3. Within 20 days of the date of the entry of this Order, Green-Taylor 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.

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By the Commission



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2020-00123 DATED MAY 07 2020

	Base Rate	New Rate	Increased Cost
Green River Valley			
Purchases in Gallons	48,807,000	48,807,000	
Wholesale rate	<u>\$2.14/1,000</u>	<u>\$2.59/1,000</u>	
	\$104,446.98	\$126,410.13	\$21,963.15
 Campbellsville			
Purchases in Gallons	183,186,000	183,186,000	
Wholesale rate	<u>\$2.20/1,000</u>	<u>No Change</u>	
	\$403,009.20		
 Greensburg			
Purchases in Gallons	143,378,000	143,378,000	
Wholesale rate	<u>\$2.20/1,000</u>	<u>No Change</u>	
	\$315,431.60		
 Increased water cost		\$21,963.16	
 Divided by Gallons sold/1,000		<u>302,839,373</u>	
 Purchased water adjustment factor		\$ 0.0725 per 1,000 Gallons	
		Or \$ 0.08 per 1,000 Gallons	

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2020-00123 DATED MAY 07 2020

The following rates and charges are prescribed for the customers in the area served by Green-Taylor 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 x 3/4-Inch Meter

First	2,000 Gallons	\$22.61	Minimum Bill
Next	3,000 Gallons	9.46	per 1,000 Gallons
Next	5,000 Gallons	7.60	per 1,000 Gallons
Over	10,000 Gallons	4.91	per 1,000 Gallons

3/4-Inch Meter

First	3,000 Gallons	\$32.07	Minimum Bill
Next	2,000 Gallons	9.46	per 1,000 Gallons
Next	5,000 Gallons	7.60	per 1,000 Gallons
Over	10,000 Gallons	4.91	per 1,000 Gallons

1-Inch Meter

First	5,000 Gallons	\$50.99	Minimum Bill
Next	5,000 Gallons	7.60	per 1,000 Gallons
Over	10,000 Gallons	4.91	per 1,000 Gallons

1 1/2-Inch Meter

First	10,000 Gallons	\$88.99	Minimum Bill
Over	10,000 Gallons	4.91	per 1,000 Gallons

2-Inch Meter

First	20,000 Gallons	\$138.09	Minimum Bill
Over	20,000 Gallons	4.91	per 1,000 Gallons

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