

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	CASE NO.
OF HENDERSON COUNTY WATER)	2007-00038
DISTRICT)	

O R D E R

On January 25, 2007, Henderson County Water District ("Henderson County") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

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

1. Henderson County purchases water from the city of Henderson water utility ("City of Henderson").
2. The City of Henderson notified Henderson County that, effective with the first billing after March 31, 2007, the City of Henderson's wholesale water rate to Henderson County would increase in the North area from \$1.4532 per 1,000 gallons to \$1.5788 per 1,000 gallons and increase in the South area from \$1.3335 per 1,000 gallons to \$1.5190 per 1,000 gallons.
3. On December 1, 2006, the City of Henderson notified the Commission that, effective for March 1, 2007, its wholesale water service rate to Henderson County would increase in the North area from \$1.4532 per 1,000 gallons to \$1.5788 per 1,000 gallons and increase in the South area from \$1.3335 per 1,000 gallons to \$1.5190 per 1,000

gallons. Pursuant to KRS 278.180 and 278.190, this proposed rate will become effective on March 1, 2007.

4. During the 12 months ending December 31, 2006, Henderson County purchased 503,535,000 gallons of water from City of Henderson and sold 402,246,000 gallons. The increase in the cost of purchased water is \$65,210.81, resulting in a purchased water adjustment of \$0.16 per 1,000 gallons.

5. The purchased water adjustment of \$0.16 per 1,000 gallons is fair, just, and reasonable and should be approved.

6. On April 28, 2005, the Commission issued a final Order in Case No. 2005-00072.¹ The Order granted Henderson County permission to phase-in a rate increase. Phase 2 rates shall become effective 24 months from the date of the Order in Case No. 2005-00072. The purchased water adjustment factor of \$0.16 per 1,000 gallons should be applied to the Phase 2 rates.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.16 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after March 1, 2007.

2. The rates as shown in Appendix B shall become effective on April 28, 2007.

3. Within 20 days of the date of this Order, Henderson County shall file with the Commission revised tariff sheets showing the rates approved herein.


¹ Case No. 2005-00072, Application of the Henderson County Water District for Approval of a Proposed Increase in Rates for Water Service.

4. Thirty days prior to the effective date of Phase 2 rates, Henderson County shall file with the Commission its revised tariff setting out Phase 2 rates. Henderson County shall provide its customers with a one-time notice with the implementation of Phase 2 rates.

Done at Frankfort, Kentucky, this 26th day of February, 2007.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00038 DATED February 26, 2007.

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

5/8" x 3/4" Meter

First	2,000 gallons	\$13.39 Minimum Bill
Next	8,000 gallons	4.59 per 1,000 gallons
Next	20,000 gallons	4.16 per 1,000 gallons
Over	30,000 gallons	3.73 per 1,000 gallons

1 Inch Meter

First	5,000 gallons	\$27.16 Minimum Bill
Next	5,000 gallons	4.59 per 1,000 gallons
Next	20,000 gallons	4.16 per 1,000 gallons
Over	30,000 gallons	3.73 per 1,000 gallons

2 Inch Meter

First	16,000 gallons	\$75.07 Minimum Bill
Next	14,000 gallons	4.16 per 1,000 gallons
Over	30,000 gallons	3.73 per 1,000 gallons

3 Inch Meter

First	30,000 gallons	\$133.31 Minimum Bill
Over	30,000 gallons	3.73 per 1,000 gallons

4 Inch Meter

First	50,000 gallons	\$207.91 Minimum Bill
Over	50,000 gallons	3.73 per 1,000 gallons

6 Inch Meter

First	100,000 gallons	\$394.41 Minimum Bill
Over	100,000 gallons	3.73 per 1,000 gallons

Volunteer Fire Department (Metered Service)

Flat Rate	\$13.39 Maximum Bill
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APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00038 DATED February 26, 2007.

The following rates and charges are prescribed for the customers in the area served by Henderson 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 April 28, 2007 effective date.

Phase 2 Monthly Water Rates

5/8" x 3/4" Meter

First	2,000 gallons	\$14.35 Minimum Bill
Next	8,000 gallons	4.81 per 1,000 gallons
Next	20,000 gallons	4.34 per 1,000 gallons
Over	30,000 gallons	3.88 per 1,000 gallons

1 Inch Meter

First	5,000 gallons	\$28.78 Minimum Bill
Next	5,000 gallons	4.81 per 1,000 gallons
Next	20,000 gallons	4.34 per 1,000 gallons
Over	30,000 gallons	3.88 per 1,000 gallons

2 Inch Meter

First	16,000 gallons	\$78.87 Minimum Bill
Next	14,000 gallons	4.34 per 1,000 gallons
Over	30,000 gallons	3.88 per 1,000 gallons

3 Inch Meter

First	30,000 gallons	\$139.63 Minimum Bill
Over	30,000 gallons	3.88 per 1,000 gallons

4 Inch Meter

First	50,000 gallons	\$217.23 Minimum Bill
Over	50,000 gallons	3.88 per 1,000 gallons

6 Inch Meter

First	100,000 gallons	\$411.23 Minimum Bill
Over	100,000 gallons	3.88 per 1,000 gallons

Volunteer Fire Department (Metered Service)

Flat Rate	\$14.35 Maximum Bill
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