

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT) CASE NO.
APPLICATION OF ESTILL COUNTY) 2009-00155
WATER DISTRICT NO. 1)

O R D E R

On April 10, 2009, Estill County Water District No. 1 ("Estill District") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹ Estill District's initial filing failed to include a copy of its revised tariff sheets, which is required by 807 KAR 5:068, Section 3. Estill District cured this deficiency on June 11, 2009.

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

1. Estill District purchases water from Irvine Municipal Utilities ("Irvine") and from Jackson County Water Association ("Jackson Association").
2. Irvine notified Estill District that it would increase its wholesale water rate effective January 14, 2009.² Irvine's wholesale water rate to Estill District increased from \$1.91 per 1,000 gallons to \$2.164 per 1,000 gallons. Irvine also increased its

¹ KRS 278.015; 807 KAR 5:068.

² Irvine's notice to Estill District actually indicates that the increased rate would be effective on January 14, 2008. In November 2008, Irvine notified the Commission of its intent to increase its rate to Estill District, and it filed tariffs reflecting the increases to be effective on January 14, 2009. It, therefore, appears that the date listed in the notice is merely a typographical error.

rates to Estill District by an additional \$0.12 per 1,000 gallons to reflect the Kentucky River Authority withdrawal fee. Estill District proposes to increase the water rates to its customers effective July 1, 2009.

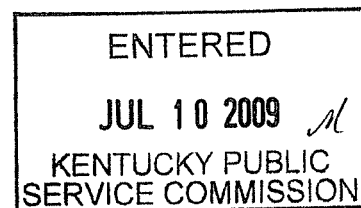
3. During the 12 months ending March 31, 2009, Estill District purchased a total of 254,131,600 gallons of water from Irvine and purchased a total of 597,269 gallons of water from Jackson Association and sold a total of 201,669,280 gallons of water. The increase in the cost of purchased water is \$95,045.22, resulting in a purchased water adjustment of \$0.48 per 1,000 gallons.

4. A purchased water adjustment of \$0.48 per 1,000 gallons is fair, just, and reasonable.

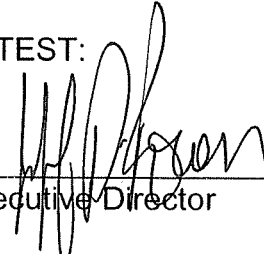
IT IS THEREFORE ORDERED that:

1. Estill District's proposed rates are approved.
2. The purchased water adjustment increase of \$0.48 per 1,000 gallons as calculated in Appendix A is approved and the rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after July 1, 2009.

By the Commission



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2009-00155 DATED **JUL 10 2009**

| | New Rate | Base Rate |
|--|----------------------|--------------------------|
| Estill County Water District No. 1 | | |
| Purchases in gallons | | |
| Irvine | 254,131,600 | 254,131,600 |
| Volumetric Rate | \$2.164/1,000 | \$1.91/1,000 |
| KRA Rate | \$0.12/1,000 | \$0.00/1,000 |
| Jackson Association | | |
| Volumetric Rate | 597,269 No Change | 597,269 No Change |
| | \$580,436.57 | \$485,391.36 |
| Increased water cost | | \$95,045.22 |
| Increased water cost | | \$95,045.22 |
| Divided by gallons sold | | <u>201,669,280</u> |
| Purchased water adjustment increase factor | | \$0.48 per 1,000 gallons |

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2009-00155 DATED JUL 10 2009

The following rates and charges are prescribed for the customers in the area served by Estill County Water District No. 1. 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 | \$14.02 | Minimum Bill |
| Next | 3,000 | gallons | 6.72 | per 1,000 gallons |
| Next | 5,000 | gallons | 6.55 | per 1,000 gallons |
| Over | 10,000 | gallons | 4.83 | per 1,000 gallons |

1" Meter

| | | | | |
|-------|--------|---------|---------|-------------------|
| First | 5,000 | gallons | \$34.20 | Minimum Bill |
| Next | 5,000 | gallons | 6.55 | per 1,000 gallons |
| Over | 10,000 | gallons | 4.83 | per 1,000 gallons |

2" Meter

| | | | | |
|-------|--------|---------|---------|-------------------|
| First | 10,000 | gallons | \$95.92 | Minimum Bill |
| Over | 10,000 | gallons | 4.83 | per 1,000 gallons |

Bulk Loading Station

\$5.37 per 1,000 gallons

Bulk Meter Sales to Powell's Valley Water District

\$2.93 per 1,000 gallons

Greg Wright
Chairman
Estill County Water District #1
76 Cedar Grove Road
Irvine, KY 40336