

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF)	CASE NO.
HENDERSON COUNTY WATER DISTRICT)	2018-00102

ORDER

On March 12, 2017, Henderson County Water District (“Henderson County”) 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. Henderson County purchases water from the Henderson Water Utility (“Henderson”). Henderson provides water to Henderson County in two separate areas, Henderson Water Utility North (“Henderson-North”) and Henderson Water Utility South (“Henderson-South”).

2. Henderson notified Henderson County on November 28, 2017, that, effective March 1, 2018, its wholesale rate for Henderson-North would increase from \$2.7319 per 1,000 gallons to \$3.2064 per 1,000 gallons, and its wholesale rate for Henderson-South would increase from \$2.3638 per 1,000 gallons to \$2.5708 per 1,000 gallons.² Henderson County proposed to increase the water rates to its customers

¹ KRS 278.012; 807 KAR 5:068.

² TFS 2017-00713 (Ky. PSC filed Jan. 2, 2018); the tariff was accepted for filing by the Commission by letter dated Mar. 1, 2018.

effective March 31, 2018, to reflect the increased cost of purchased water from Henderson.

3. Henderson County proposes a purchased water adjustment factor of \$0.50051 per 1,000 gallons. By letter, Henderson County has requested to amend its application to propose a revised purchased water adjustment factor of \$0.51 per 1,000 gallons to reflect a rounding up of its increased cost of purchased water.³ We find that the amendment should be granted.

4. During the 12 months ended December 31, 2017, Henderson County purchased 351,279,690 gallons of water from Henderson-North and 37,136,608 from Henderson-South and sold 348,381,962 gallons of water. The increase in the cost of purchased water is \$174,369.49, resulting in a purchased water adjustment factor of \$0.51 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.51 per 1,000 gallons, as calculated in Appendix A to this Order, permits Henderson County to pass through the increase in its wholesale rates from Henderson and is fair, just, and reasonable and should be approved.

6. The Commission finds that permitting Henderson County to round up its calculation of the purchased water adjustment factor is consistent with the intent of KRS 278.015 and allows Henderson County to recover the increase in rates from its wholesale supplier.

³ Letter from Pete Conrad, Superintendent, Henderson County Water District to the Executive Director, Public Service Commission, filed Mar. 19, 2018.

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 Henderson County on and after March 31, 2018.

IT IS THEREFORE ORDERED that:

1. Henderson County's request to amend its purchased water adjustment filing, filed on March 19, 2017, is granted.

2. The purchased water adjustment factor of \$0.51 per 1,000 gallons is approved.

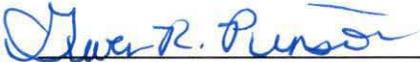
3. The rates as set forth in Appendix B to this Order are approved for water service rendered by Henderson County on and after March 31, 2018.

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

By the Commission



ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
 COMMISSION IN CASE NO. 2018-00102 DATED **APR 02 2018**

	New Rate	Base Rate
Henderson County Henderson-North Purchases in Gallons	351,279,690 <u>\$ 3.2064/1,000</u> \$1,126,343.20	351,279,690 <u>\$ 2.7319/1,000</u> \$959,660.99
Henderson-South Purchases in Gallons	37,136,608 <u>\$ 2.5708/1,000</u> \$95,470.79	37,136,608 <u>\$ 2.3638/1,000</u> \$87,783.51
Total	\$1,221,813.99	\$1,047,444.50
Increased water cost		\$ 174,369.49
Increased water cost		\$ 174,369.49
Divided by Gallons sold/1,000		<u>348,381,962</u>
Purchased water adjustment factor		\$ 0.5005 per 1,000 Gallons or \$ 0.51 per 1,000 Gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2018-00102 DATED **APR 02 2018**

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-Inch Meter

First	2,000 Gallons	\$ 20.40 Minimum Bill
Next	8,000 Gallons	7.51 per 1,000 Gallons
Next	20,000 Gallons	6.98 per 1,000 Gallons
Over	30,000 Gallons	6.45 per 1,000 Gallons

1-Inch Meter

First	5,000 Gallons	\$ 42.93 Minimum Bill
Next	5,000 Gallons	7.51 per 1,000 Gallons
Next	20,000 Gallons	6.98 per 1,000 Gallons
Over	30,000 Gallons	6.45 per 1,000 Gallons

2-Inch Meter

First	16,000 Gallons	\$122.36 Minimum Bill
Next	14,000 Gallons	6.98 per 1,000 Gallons
Over	30,000 Gallons	6.45 per 1,000 Gallons

3-Inch Meter

First	30,000 Gallons	\$220.08 Minimum Bill
Over	30,000 Gallons	6.45 per 1,000 Gallons

4-Inch Meter

First	50,000 Gallons	\$349.08 Minimum Bill
Over	50,000 Gallons	6.45 per 1,000 Gallons

6-Inch Meter

First	100,000 Gallons	\$671.58 Minimum Bill
Over	100,000 Gallons	6.45 per 1,000 Gallons

Volunteer Fire Department (Metered Services)	20.40 per Month
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