

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF)	CASE NO.
ELKHORN WATER DISTRICT)	2018-00241

ORDER

On July 11, 2018, Elkhorn Water District (Elkhorn District) 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. Elkhorn District purchases water from the Frankfort Electric and Water Plant Board (Frankfort).
2. Frankfort notified Elkhorn District that its wholesale rate would increase from \$2.55 per 1,000 gallons to \$2.64 per 1,000 gallons effective July 26, 2018.² Elkhorn District proposes to increase the water rates to its customers effective July 26, 2018, to reflect the increased cost of purchased water from Frankfort.
3. Elkhorn District proposed a purchased water adjustment factor of \$0.11 per 1,000 gallons in its application.

¹ KRS 278.015; 807 KAR 5:068.

² TFS 2018-00313 (Ky. PSC filed June 26, 2018); the tariff was accepted for filing by the Commission by letter dated July 25, 2018.

4. During the 12-month period that ended April 30, 2018, Elkhorn District purchased 61,389,100 gallons of water from Frankfort. During the same period, Elkhorn District sold 50,284,996 gallons of water. The increase in the cost of purchased water is \$5,525.02, resulting in a purchased water adjustment factor of \$0.11 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.11 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable, and should be approved.

6. Elkhorn District misapplied the \$0.11 per 1,000 gallon factor to its proposed 1 ½-Inch meter Minimum Bill. Elkhorn District's proposed rates should be denied.

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 Elkhorn District on and after July 26, 2018.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.11 per 1,000 gallons is approved.

2. The rates proposed by Elkhorn District are denied.

3. The rates as set forth in Appendix B to this Order are approved for water service rendered by Elkhorn District on and after July 26, 2018.

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

By the Commission

ENTERED
AUG 02 2018
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2018-00241

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2018-00241 DATED **AUG 02 2018**

	New Rate	Base Rate
Frankfort		
Purchases in Gallons	61,389,100	61,389,100
Wholesale rate	<u>\$ 2.64/1000</u>	<u>\$ 2.55/1000</u>
	\$162,067.22	\$156,542.20
Increased water cost		\$ 5,525.02
Increased water cost		\$ 5,525.02
Divided by Gallons sold/1,000		<u>50,284,996</u>
Purchased water adjustment factor		\$ 0.109 per 1,000 Gallons
		or \$ 0.11 per 1,000 Gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2018-00241 DATED **AUG 02 2018**

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

First	2,000 Gallons	\$ 15.95 Minimum Bill
Next	3,000 Gallons	6.33 per 1,000 Gallons
Next	5,000 Gallons	5.75 per 1,000 Gallons
Over	10,000 Gallons	4.52 per 1,000 Gallons

1-Inch Meter

First	5,000 Gallons	\$ 34.94 Minimum Bill
Next	5,000 Gallons	5.75 per 1,000 Gallons
Over	10,000 Gallons	4.52 per 1,000 Gallons

1 1/2-Inch Meter

First	10,000 Gallons	\$ 63.69 Minimum Bill
Over	10,000 Gallons	4.52 per 1,000 Gallons

Mobile Home Parks

South Creek	15,000 Gallons	\$119.63 Minimum Bill
Elkhorn	76,000 Gallons	606.10 Minimum Bill
Capital	125,000 Gallons	996.88 Minimum Bill

Emergency Wholesale Rate		4.52 per 1,000 Gallons
--------------------------	--	------------------------

*Elkhorn Water District
7165 US 127 North
P. O. Box 67
Frankfort, KY 40602

*Michael Dudgeon
Chairman
Elkhorn Water District
P. O. Box 67
Frankfort, KY 40602