

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
HARRISON COUNTY WATER ASSOCIATION)

CASE NO. 2000-139

O R D E R

On March 20, 2000, Harrison County Water Association (“Harrison”) 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. Harrison purchases its water from the city of Cynthiana, Kentucky (“Cynthiana”).
2. On April 24, 2000, the Commission authorized Cynthiana to increase its rate for wholesale water service to Harrison to \$1.85 per thousand gallons.¹
3. During the 12 months ending January 2000, Harrison purchased 312,485,293 gallons of water from Cynthiana and sold 278,382,476 gallons.
4. The increase in the cost of purchased water is \$179,005.27, which results in a purchased water adjustment of 64 cents per 1,000 gallons of water. Based on monthly usage of 5,000 gallons, the average residential bill of a Harrison customer would increase \$3.20, from \$25.00 to \$28.20, or 12.8 percent.

¹ Case No. 99-300, Proposed Adjustment of the Wholesale Water Service Rates of the City of Cynthiana, Kentucky (Ky.P.S.C. April 24, 2000).

5. The purchased water adjustment of 64 cents per 1,000 gallons is fair, just and reasonable.

6. The first block of Harrison's proposed rate for 2-inch meter water service is not consistent with its proposed rate for other services and should be revised.²

7. Harrison proposes that the purchased water adjustment be made effective for service rendered on and after April 27, 2000. Implementation of the purchased water adjustment on this date will coincide with a general rate adjustment that the Commission has previously approved³ and will reduce the administrative burden in calculating customer bills for service rendered during the first month following the general rate adjustment and the purchased water adjustment. Harrison's proposal is consistent with KRS 278.012, which affords a water association limited discretion in adjusting its rates to reflect increases in the rates of its wholesale suppliers.

8. The rates set forth in Appendix A reflect the purchased water adjustment of 64 cents per 1,000 gallons and are fair, just, and reasonable.

9. On April 24, 2000, the Commission approved Harrison's payment of \$35,481.60 to Cynthiana for reimbursement of its proportionate share of drought-related expenses incurred during 1999.

² If purchased under the other rates contained in Harrison's rate schedules, a customer would pay \$68.90 for the purchase of 15,000 gallons of water. Under the proposed rate for 2-inch meter service, a customer would pay only \$68.63 for 15,000 gallons. The rates set forth in Appendix A eliminate this inconsistency.

³ Case No. 99-409, Adjustment of Rates for Harrison County Water Association, Inc. (Ky.P.S.C. April 27, 2000).

10. Harrison proposes to assess its customers a monthly surcharge of 70 cents for 12 months to recover its payment of \$35,481.60.⁴

11. Harrison's proposed surcharge is consistent with KRS 278.012. See Kentucky Public Service Commission v. Cumberland Falls Highway Water District, Ky.App., 834 S.W.2d 726 (1992).

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of 64 cents per 1,000 gallons and the monthly rates per purchased water adjustment in Appendix A are approved for service on and after April 27, 2000.

2. Harrison is authorized to assess a surcharge of \$0.70 on each bill for a period of 12 months from the date of this Order or until \$35,481.60 has been collected.

3. For each year in which it assesses the proposed surcharge, Harrison shall file with its annual report a separate summary for the surcharge that contains the monthly surcharge billings and collections.

4. The rates contained in Harrison's proposed rate schedule are denied.

5. Within 20 days from the date of this Order, Harrison shall file a copy of its tariff sheet listing the approved rates and surcharge.

6. Within 20 days from the date of this Order, Harrison shall file a copy of the notice to its customers and verification that such notice has been given.

⁴ The amount of the surcharge is calculated by dividing the amount of reimbursement by the number of customers over 12 months ($\$35,481.60 \div 4,200 \div 12 = \0.70).

Done at Frankfort, Kentucky, this 15th day of May, 2000.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2000-139 DATED MAY 15, 2000

The following rates and charges are prescribed for the customers in the area served by Harrison County Water Association. 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 RATES FOR SERVICE RENDERED BETWEEN
APRIL 27, 2000 AND APRIL 26, 2001

5/8 x 3/4 Inch Meter

First	2,000 Gallons	\$14.28	Minimum Bill
Next	1,000 Gallons	5.22	Per 1,000 Gallons
Next	2,000 Gallons	4.87	Per 1,000 Gallons
Next	45,000 Gallons	4.33	Per 1,000 Gallons
Over	50,000 Gallons	3.72	Per 1,000 Gallons

3/4 Inch Meter

First	3,000 Gallons	\$19.50	Minimum Bill
Next	2,000 Gallons	4.87	Per 1,000 Gallons
Next	45,000 Gallons	4.33	Per 1,000 Gallons
Over	50,000 Gallons	3.72	Per 1,000 Gallons

1 Inch Meter

First	5,000 Gallons	\$29.24	Minimum Bill
Next	45,000 Gallons	4.33	Per 1,000 Gallons
Over	50,000 Gallons	3.72	Per 1,000 Gallons

1 1/2 Inch Meter

First	10,000 Gallons	\$50.89	Minimum Bill
Next	40,000 Gallons	4.33	Per 1,000 Gallons
Over	50,000 Gallons	3.72	Per 1,000 Gallons

2 Inch Meter

First	15,000 Gallons	\$72.54	Minimum Bill
Next	35,000 Gallons	4.33	Per 1,000 Gallons
Over	50,000 Gallons	3.72	Per 1,000 Gallons

Bulk Loading Stations

\$6.00	Per 1,000 Gallons
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Monthly Surcharge

\$0.70	Per Bill
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PHASE TWO MONTHLY RATES:
FOR SERVICE RENDERED BETWEEN APRIL 27, 2001 AND APRIL 26, 2002

5/8 x 3/4 Inch Meter

First	2,000 Gallons	\$14.49	Minimum Bill
Next	1,000 Gallons	5.22	Per 1,000 Gallons
Next	2,000 Gallons	4.96	Per 1,000 Gallons
Next	45,000 Gallons	4.49	Per 1,000 Gallons
Over	50,000 Gallons	3.76	Per 1,000 Gallons

3/4 Inch Meter

First	3,000 Gallons	\$19.71	Minimum Bill
Next	2,000 Gallons	4.96	Per 1,000 Gallons
Next	45,000 Gallons	4.49	Per 1,000 Gallons
Over	50,000 Gallons	3.76	Per 1,000 Gallons

1 Inch Meter

First	5,000 Gallons	\$29.63	Minimum Bill
Next	45,000 Gallons	4.49	Per 1,000 Gallons
Over	50,000 Gallons	3.76	Per 1,000 Gallons

1 1/2 Inch Meter

First	10,000 Gallons	\$52.08	Minimum Bill
Next	40,000 Gallons	4.49	Per 1,000 Gallons
Over	50,000 Gallons	3.76	Per 1,000 Gallons

2 Inch Meter

First	15,000 Gallons	\$74.53	Minimum Bill
Next	35,000 Gallons	4.49	Per 1,000 Gallons
Over	50,000 Gallons	3.76	Per 1,000 Gallons

Bulk Loading Stations

\$6.00	Per 1,000 Gallons
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PHASE THREE MONTHLY RATES:
FOR SERVICE RENDERED BETWEEN APRIL 27, 2002 AND APRIL 26, 2003

5/8 x 3/4 Inch Meter

First	2,000 Gallons	\$14.71	Minimum Bill
Next	1,000 Gallons	5.24	Per 1,000 Gallons
Next	2,000 Gallons	5.08	Per 1,000 Gallons
Next	45,000 Gallons	4.61	Per 1,000 Gallons
Over	50,000 Gallons	3.84	Per 1,000 Gallons

3/4 Inch Meter

First	3,000 Gallons	\$19.95	Minimum Bill
Next	2,000 Gallons	5.08	Per 1,000 Gallons
Next	45,000 Gallons	4.61	Per 1,000 Gallons
Over	50,000 Gallons	3.84	Per 1,000 Gallons

1 Inch Meter

First	5,000 Gallons	\$30.11	Minimum Bill
Next	45,000 Gallons	4.61	Per 1,000 Gallons
Over	50,000 Gallons	3.84	Per 1,000 Gallons

1 1/2 Inch Meter

First	10,000 Gallons	\$53.16	Minimum Bill
Next	40,000 Gallons	4.61	Per 1,000 Gallons
Over	50,000 Gallons	3.84	Per 1,000 Gallons

2 Inch Meter

First	15,000 Gallons	\$76.21	Minimum Bill
Next	35,000 Gallons	4.61	Per 1,000 Gallons
Over	50,000 Gallons	3.84	Per 1,000 Gallons

Bulk Loading Stations

\$6.00	Per 1,000 Gallons
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PHASE FOUR MONTHLY RATES:
FOR SERVICE RENDERED BETWEEN APRIL 27, 2003 AND APRIL 26, 2004

5/8 x 3/4 Inch Meter

First	2,000 Gallons	\$14.93	Minimum Bill
Next	1,000 Gallons	5.35	Per 1,000 Gallons
Next	2,000 Gallons	5.18	Per 1,000 Gallons
Next	45,000 Gallons	4.70	Per 1,000 Gallons
Over	50,000 Gallons	3.89	Per 1,000 Gallons

3/4 Inch Meter

First	3,000 Gallons	\$20.28	Minimum Bill
Next	2,000 Gallons	5.18	Per 1,000 Gallons
Next	45,000 Gallons	4.70	Per 1,000 Gallons
Over	50,000 Gallons	3.89	Per 1,000 Gallons

1 Inch Meter

First	5,000 Gallons	\$30.64	Minimum Bill
Next	45,000 Gallons	4.70	Per 1,000 Gallons
Over	50,000 Gallons	3.89	Per 1,000 Gallons

1 1/2 Inch Meter

First	10,000 Gallons	\$54.14	Minimum Bill
Next	40,000 Gallons	4.70	Per 1,000 Gallons
Over	50,000 Gallons	3.89	Per 1,000 Gallons

2 Inch Meter

First	15,000 Gallons	\$77.64	Minimum Bill
Next	35,000 Gallons	4.70	Per 1,000 Gallons
Over	50,000 Gallons	3.89	Per 1,000 Gallons

Bulk Loading Stations

\$6.00	Per 1,000 Gallons
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PHASE FIVE MONTHLY RATES:
FOR SERVICE RENDERED AFTER APRIL 27, 2004

5/8 x 3/4 Inch Meter

First	2,000 Gallons	\$15.15	Minimum Bill
Next	1,000 Gallons	5.45	Per 1,000 Gallons
Next	2,000 Gallons	5.29	Per 1,000 Gallons
Next	45,000 Gallons	4.79	Per 1,000 Gallons
Over	50,000 Gallons	3.95	Per 1,000 Gallons

3/4 Inch Meter

First	3,000 Gallons	\$20.60	Minimum Bill
Next	2,000 Gallons	5.29	Per 1,000 Gallons
Next	45,000 Gallons	4.79	Per 1,000 Gallons
Over	50,000 Gallons	3.95	Per 1,000 Gallons

1 Inch Meter

First	5,000 Gallons	\$31.18	Minimum Bill
Next	45,000 Gallons	4.79	Per 1,000 Gallons
Over	50,000 Gallons	3.95	Per 1,000 Gallons

1 1/2 Inch Meter

First	10,000 Gallons	\$55.13	Minimum Bill
Next	40,000 Gallons	4.79	Per 1,000 Gallons
Over	50,000 Gallons	3.95	Per 1,000 Gallons

2 Inch Meter

First	15,000 Gallons	\$79.08	Minimum Bill
Next	35,000 Gallons	4.79	Per 1,000 Gallons
Over	50,000 Gallons	3.95	Per 1,000 Gallons

Bulk Loading Stations

\$6.00	Per 1,000 Gallons
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