## COMMONWEALTH OF KENTUCKY

### BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT ) CASE NO. OF BEECH GROVE WATER SYSTEM ) 2005-00112

#### ORDER

On April 13, 2005, Beech Grove Water System ("Beech Grove") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.012 and 807 KAR 5:068.

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

- Beech Grove purchases water from West Daviess County Water District ("West Daviess") and Henderson Water Utility ("Henderson").
- 2. West Daviess notified Beech Grove that, effective with West Daviess' April 1, 2005 billing, West Daviess' wholesale water rate to Beech Grove would increase from \$1.94 to \$2.43 per 1,000 gallons. Henderson notified Beech Grove that, effective with Henderson's April 1, 2005 billing, Henderson's wholesale water rate to Beech Grove would increase from \$2.67 to \$2.71 per 1,000 gallons for the first 4,000,000 gallons; from \$2.49 to \$2.53 per 1,000 gallons for the next 1,000,000 gallons; from \$2.25 to \$2.28 per 1,000 gallons for the next 1,000,000 gallons; and from \$2.01 to \$2.04 per 1,000 gallons for usage over 6,000,000 gallons. Beech Grove proposes to increase the water rates to its customers effective with the date of this Order.

3. During the 12 months ending December 31, 2004, Beech Grove purchased 47,828,077 gallons of water from Henderson, 19,942,000 gallons of water from West Daviess, and sold 50,091,512 gallons. Beech Grove miscalculated the amount of the adjustment in its application. The increase in the cost of purchased water is \$11,205.71, resulting in a purchased water adjustment of \$0.22 per 1,000

4. The rates proposed by Beech Grove should be denied.

5. The purchased water adjustment of \$0.22 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

gallons and not Beech Grove's proposed increase.

1. Beech Grove's proposed rates are denied.

2. The purchased water adjustment of \$0.22 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 the date of this Order.

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

Done at Frankfort, Kentucky, this 12<sup>th</sup> day of May, 2005.

By the Commission

ATTEST:

Executive Director

#### APPENDIX A

# APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2005-00112 DATED May 12, 2005

The following rates and charges are prescribed for the customers in the area served by Beech Grove Water System. 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 Inch Mete	<u>er</u>			
First	2,000	gallons	\$ 16.14	Minimum bill
Next	98,000	gallons	5.15	per 1,000 gallons
All Over	100,000	gallons	4.32	per 1,000 gallons
1 Inch Meter				
First	2,000	gallons	\$ 16.14	Minimum bill
Next	98,000	gallons	5.15	per 1,000 gallons
All Over	100,000	gallons	4.32	per 1,000 gallons