

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
OF BUFFALO TRAIL WATER) CASE NO. 2008-00263
ASSOCIATION, INC.)

ORDER

On July 8, 2008, Buffalo Trail Water Association, Inc. ("Buffalo Trail") 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. Buffalo Trail purchases water from Western Fleming County Water District ("Western Fleming").
2. Western Fleming notified Buffalo Trail that, effective with its June 18, 2008 billing, the wholesale rate would increase from \$1.13 per 1,000 gallons to \$1.43 per 1,000 gallons.
3. On July 1, 2008, Buffalo Trail's directors approved an increase in Buffalo Trail's rates commensurate with the increase in Western Fleming's rate.
4. Buffalo Trail proposes a purchased water adjustment factor of \$0.38 per 1,000 gallons.

¹ KRS 278.012 and 807 KAR 5:068.

5. During the 12 months ending June 2008, Buffalo Trail purchased 136,157,000 gallons of water from Western Fleming and it sold 108,562,770 gallons. The increase in the cost of purchased water is \$40,847.10, resulting in a purchased water adjustment factor of \$0.38 per 1,000 gallons.

6. Buffalo Trail proposes to increase the rates to its customers effective June 18, 2008. KRS 278.012 does not permit a water association to retroactively adjust its rates to reflect an increase in its wholesale supplier's rates, but permits the water association to adjust its rates without prior Commission approval. Accordingly, Buffalo Trail's proposed adjustment should be effective as of July 1, 2008.

7. The purchased water adjustment factor of \$0.38 per 1,000 gallons is fair, just, and reasonable and should be approved.


IT IS THEREFORE ORDERED that:

1. The rates proposed by Buffalo Trail are approved as filed.
2. The purchased water adjustment factor of \$0.38 per 1,000 gallons as calculated in Appendix A, which is attached hereto and incorporated herein, is approved.
3. The rates in Appendix B, which is attached hereto and incorporated herein, are fair, just, and reasonable and are approved for service provided on or after July 1, 2008.
4. Within 20 days of the date of this Order, Buffalo Trail shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 5th day of August, 2008.

By the Commission

ATTEST:


Executive Director *for Stephanie Stumbo*
by permission

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00263 DATED August 5, 2008

	New Rate	Base Rate
Western Fleming		
Purchases in gallons	136,157,000	136,157,000
Volumetric rate	<u>\$1.43/1,000</u>	<u>\$ 1.13/1,000</u>
	\$194,704.51	\$153,857.41
Increased water cost	\$40,847.10	
Increased water cost		\$ 40,847.10
Divided by gallons sold		<u>108,562,770</u>
Purchased water adjustment factor		\$0.38 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00263 DATED August 5, 2008

The following rates and charges are prescribed for the customers in the area served by Buffalo Trail Water Association, Inc. 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.

RATES AND CHARGES

5/8" x 3/4" Meter

First	1,000 gallons	\$14.55	Minimum Bill
Next	4,000 gallons	6.00	per 1,000 gallons
Next	5,000 gallons	4.20	per 1,000 gallons
Over	10,000 gallons	3.75	per 1,000 gallons

3/4 Inch Meter

First	5,000 gallons	\$ 38.55	Minimum Bill
Next	5,000 gallons	4.20	per 1,000 gallons
Over	10,000 gallons	3.75	per 1,000 gallons

1 Inch Meter

First	10,000 gallons	\$ 59.55	Minimum Bill
Over	10,000 gallons	3.75	per 1,000 gallons

1 1/2 Inch Meter

First	10,000 gallons	\$76.88	Minimum Bill
Over	10,000 gallons	3.75	per 1,000 gallons

2 inch Meter

First	20,000 gallons	\$97.05	Minimum Bill
Over	20,000 gallons	3.75	per 1,000 gallons