

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILLING OF) CASE NO. 2013-00058
BEECH GROVE WATER SYSTEM)

ORDER

On February 12, 2013, Beech Grove Water System ("Beech Grove") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

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

1. Beech Grove purchases its water from the city of Henderson, Kentucky ("Henderson").
2. Henderson currently uses a four-step, declining block water rate schedule for its wholesale water sales to Beech Grove.
3. On March 1, 2013, Henderson adjusted its rates for wholesale water service to Beech Grove and increased by \$0.03 the charge for each rate block in the existing rate schedule.
4. Beech Grove proposes to adjust its rates for water service to its customer on April 1, 2013 to reflect the increase in its cost of purchased water.
5. During the 12 months ending December 31, 2012, Beech Grove purchased 54,972,138 gallons of water from Henderson and sold 50,136,650 gallons of water.

¹ KRS 278.012; 807 KAR 5:068.

6. The increase in Henderson's wholesale rate for water service will increase Beech Grove's annual cost of purchased water by \$1,710.99.

7. As shown in Appendix A to this Order, a purchased water adjustment of \$0.04 per 1,000 gallons is necessary for Beech Grove to recover the increased purchased water cost.

8. Beech Grove's proposed purchased water adjustment of \$0.04 per 1,000 gallons is fair, just, and reasonable and should be approved.

9. Beech Grove's proposed rates, which are set forth in Appendix B to this Order, reflect the application of a purchased water adjustment factor of \$0.04 per 1,000 gallons, are fair, just and reasonable, and should be approved.

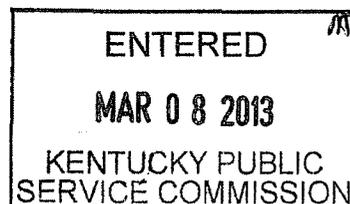
IT IS THEREFORE ORDERED that:

1. Beech Grove's proposed purchased water adjustment of \$0.04 per 1,000 gallons is approved.

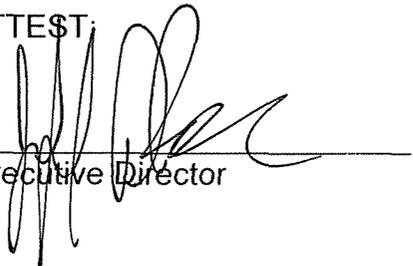
2. Beech Grove's proposed rates are approved for service rendered on and after April 1, 2013.

3. Beech Grove's tariff sheet, which was submitted with Beech Grove's application, is approved as filed.

By the Commission



ATTEST:


Executive Director

Case No. 2013-00058

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2013-00058 DATED **MAR 08 2013**

		BASE RATES			
		BILLS	GALLONS	RATE	REVENUE
FIRST	4,000,000	12	46,798,198	\$3.19	\$149,286.25
NEXT	1,000,000		5,895,093	2.98	17,567.38
NEXT	1,000,000		1,803,289	2.68	4,832.81
OVER	6,000,000		475,558	2.40	1,079.52
TOTAL		12	54,972,138		\$172,765.96

		CHANGED RATES			
		BILLS	GALLONS	RATE	REVENUE
FIRST	4,000,000	12	46,798,198	\$3.22	\$150,690.20
NEXT	1,000,000		5,895,093	3.01	17,744.23
NEXT	1,000,000		1,803,289	2.71	4,886.91
OVER	6,000,000		475,558	2.43	1,155.61
TOTAL		12	54,972,138		\$174,476.95

Increased water cost \$1,710.99

Increased water cost	\$	1,710.99
Divided by gallons sold / 1,000		<u>50,136,650</u>
		0.03412

Purchased water adjustment factor \$0.04 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2013-00058 DATED **MAR 08 2013**

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

First 2,000 gallons	\$ 18.10 Minimum Bill
Next 98,000 gallons	5.86 per 1,000 gallons
Over 100,000 gallons	4.96 per 1,000 gallons
Bulk Loading Station	2.79 per 1,000 gallons

Sheila Murphy
Beech Grove Water System, Inc.
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