

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF GARRARD COUNTY WATER) CASE NO. 2013-00189
ASSOCIATION, INC.)

ORDER

On May 16, 2013, Garrard County Water Association, Inc. ("Garrard County") 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. Garrard County purchases water from the city of Lancaster ("Lancaster"), the city of Danville ("Danville"), and the city of Berea ("Berea").
2. Lancaster and Garrard County executed an amended water purchase contract in which they agreed that Lancaster's volumetric wholesale rate to Garrard County will increase from \$2.03 per 1,000 gallons to \$2.12 per 1,000 gallons on July 10, 2013.²
3. Garrard County proposes to place its proposed rates into effect July 10, 2013.
4. Garrard County proposes a purchased water adjustment factor of \$0.08 per 1,000 gallons.

¹ KRS 278.012; 807 KAR 5:068.

² The rate charged by Lancaster includes the base rate of \$1.96 per 1,000 gallons plus the Kentucky River Authority Fee of \$0.16 per 1,000 gallons.

5. During the 12 months ending April 30, 2013, Garrard County purchased 263,321,309 gallons of water from Lancaster, 85,580,401 gallons of water from Danville, and 28,149,558 gallons of water from Berea. It sold 305,599,661 gallons of water. As a result of the amended water purchase contract, Garrard County's cost of purchased water will increase \$23,698.92 and will produce a purchased water adjustment factor of \$0.08 per 1,000 gallons, as calculated in Appendix A to this Order.

6. The purchased water adjustment factor of \$0.08 per 1,000 gallons is fair, just, and reasonable and should be approved.

7. Garrard County's proposed rates, as set forth in Appendix B to this Order, are fair, just, and reasonable and should be approved for service rendered on and after the date of this Order.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.08 per 1,000 gallons is approved.

2. Garrard County's proposed rates are approved for services rendered on or after July 10, 2013.

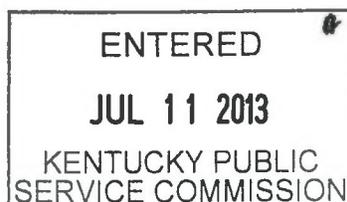
3. Garrard County's proposed tariff sheet filed with the application is approved.

ATTEST:



Executive Director

By the Commission



APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
 COMMISSION IN CASE NO. 2013-00189 DATED **JUL 11 2013**

	New Rate	Base Rate
Lancaster		
Purchases in gallons	263,321,309	263,321,309
Volumetric rate	<u>\$2.12 /1,000</u>	<u>\$2.03/1,000</u>
	\$558,241.18	\$534,542.26
Danville		
Purchases in gallons	85,580,401	85,580,401
Volumetric rate	<u>NO CHANGE</u>	<u>NO CHANGE</u>
Berea		
Purchases in gallons	28,149,558	28,149,558
Volumetric rate	<u>NO CHANGE</u>	<u>NO CHANGE</u>

Increased water cost \$23,698.92

Increased water cost \$23,698.92
 Divided by gallons sold/1,000 305,599,661
 Purchased water adjustment factor \$0.0775 per 1,000 gallons
 or \$0.08

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2013-00189 DATED **JUL 11 2013**

The following rates and charges are prescribed for the customers in the area served by Garrard County 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.

Monthly Water Rates

Residential, Farm and Small Commercial Connections

5/8-Inch x 3/4-Inch Meter

First	1,000 gallons	\$10.33	Minimum Bill
Next	1,000 gallons	5.43	per 1,000 gallons
Next	1,000 gallons	4.33	per 1,000 gallons
Next	2,000 gallons	4.13	per 1,000 gallons
Over	5,000 gallons	3.83	per 1,000 gallons

Large Commercial, Dairy Farm, and School Connections

1-Inch Meter

First	5,000 gallons	\$28.35	Minimum Bill
Over	5,000 gallons	3.83	per 1,000 gallons

1 1/2-Inch Meter

First	10,000 gallons	\$47.50	Minimum Bill
Over	10,000 gallons	3.83	per 1,000 gallons

2-Inch Meter

First	25,000 gallons	\$104.95	Minimum Bill
Over	25,000 gallons	3.83	per 1,000 gallons

Paul Reynolds
Garrard County Water Association, Inc.
315 Lexington Road
P. O. Box 670
Lancaster, KY 40444