

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT) CASE NO. 2009-00223
FILING OF KIRKSVILLE WATER)
ASSOCIATION

O R D E R

On June 17, 2009, Kirksville Water Association ("Kirksville Water") 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. Kirksville Water purchases water from Richmond Utilities ("Richmond").
2. Richmond notified Kirksville Water that it would increase its wholesale water rate effective July 1, 2009. Richmond's wholesale water rate to Kirksville Water would increase from \$2.78 per 1,000 gallons to \$2.86 per 1,000 gallons.² Kirksville Water proposes to increase the water rates to its customers effective July 1, 2009.
3. Kirksville Water's application contained a mathematical error in the computation of the purchased water factor and, subsequently, in the computation of the proposed rates.

¹ KRS 278.012; 807 KAR 5:068.

² Richmond's wholesale water rates are based on cubic feet as opposed to gallons. The proposed rates listed are calculated and rounded from Richmond's increase from \$2.08 per 100 cubic feet to \$2.14 per 100 cubic feet.

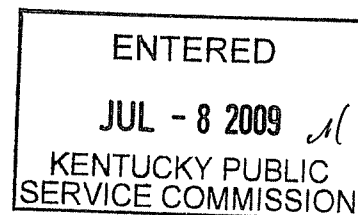
4. During the 12 months ending May 31, 2009, Kirksville Water purchased a total of 111,910,524 gallons of water from Richmond and sold a total of 104,098,004 gallons of water. The increase in the cost of purchased water is \$8,976.78, resulting in a purchased water adjustment of \$0.09 per 1,000 gallons.

5. A purchased water adjustment of \$0.09 per 1,000 gallons is fair, just, and reasonable.

IT IS HEREBY ORDERED that:

1. Kirksville Water's proposed rates are denied.
2. The purchased water adjustment increase of \$0.09 per 1,000 gallons as calculated in Appendix A is approved and the rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after July 1, 2009.
3. Within 20 days of the date of this Order, Kirksville Water shall file with the Commission revised tariff sheets containing the approved rates.

By the Commission



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2009-00223 DATED JUL - 8 2009

	New Rate	Base Rate
Kirksville Water Association		
Purchases in gallons		
Richmond	111,910,524	111,910,524
Volumetric Rate	\$2.86/1,000	\$2.78/1,000
	\$320,064.10	\$311,111.26
Increased water cost		\$8,952.84
Increased water cost		\$8,952.84
Divided by gallons sold		<u>104,098,004</u>
Purchased water adjustment increase factor		\$0.09 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2009-00223 DATED JUL - 8 2009

The following rates and charges are prescribed for the customers in the area served by Kirksville 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 Water Rates

First	2,000 gallons	\$16.86	Minimum Bill
Next	3,000 gallons	8.11	per 1,000 gallons
Next	5,000 gallons	6.77	per 1,000 gallons
Over	10,000 gallons	5.66	per 1,000 gallons

Billy May
Kirksville Water Association, Inc.
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