

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF HENDERSON COUNTY) CASE NO. 2010-00113
WATER DISTRICT)

ORDER

On March 15, 2010, Henderson County Water District (“Henderson 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. Henderson County purchases water from the city of Henderson (“Henderson”).
2. Henderson notified Henderson County that, effective with the first billing after March 31, 2010, Henderson’s wholesale water rate would increase from the North area from \$1.6903 per 1,000 gallons to \$2.1119 per 1,000 gallons and increase from the South area from \$2.0506 per 1,000 gallons to \$2.1833 per 1,000 gallons.
3. Henderson County proposed a purchased water adjustment factor of \$0.54 per 1,000 gallons.
4. Henderson County proposed an effective date of April 1, 2010.

¹ KRS 278.015; 807 KAR 5:068.

5. During the 12 months ended December 31, 2009, Henderson County purchased 492,532,360 gallons of water from Henderson's north area, 57,764,800 gallons from Henderson's south area, and it sold 396,648,889 gallons. The increase in the cost of purchased water is \$215,317.03, resulting in a purchased water adjustment factor of \$0.54 per 1,000 gallons.

6. The purchased water adjustment factor of \$0.54 per 1,000 gallons is fair, just, and reasonable and should be approved.

7. Henderson County misapplied the purchased water adjustment factor to the current rates when calculating the proposed rates.

IT IS THEREFORE ORDERED that:

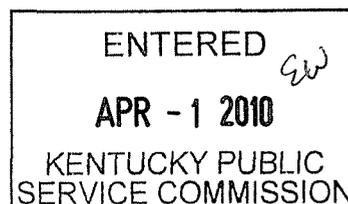
1. The rates proposed by Henderson County are denied.
2. The purchased water adjustment factor of \$0.54 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services on or after April 1, 2010.
4. Within 20 days of the date of this Order, Henderson County shall file with the Commission revised tariff sheets showing the rates approved herein.

By the Commission

ATTEST:



Executive Director



APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00113 DATED **APR - 1 2010**

North Area	New Rate	Base Rate
Purchases in gallons	492,532,360	492,532,360
Volumetric rate	<u>\$2.1119 /1,000</u>	<u>\$1.6903/1,000</u>
	\$ 1,040,179.09	\$ 832,527.45

South Area	New Rate	Base Rate
Purchases in gallons	57,764,800	57,764,800
Volumetric rate	<u>\$2.1833 /1,000</u>	<u>\$2.0506/1,000</u>
	\$ 126,117.89	\$ 118,452.50

Totals \$1,166,296.98 \$950,979.95

Increased water cost \$ 215,317.03

Increased water cost	\$ 215,317.03
Divided by gallons sold	<u>396,648,889</u>
Purchased water adjustment factor	\$0.54 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00113 DATED APR - 1 2010

The following rates and charges are prescribed for the customers in the area served by Henderson County Water District. 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" x 3/4" Meter

First	2,000	gallons	\$15.81 Minimum Bill
Next	8,000	gallons	5.54 per 1,000 gallons
Next	20,000	gallons	5.07 per 1,000 gallons
Over	30,000	gallons	4.61 per 1,000 gallons

1 Inch Meter

First	5,000	gallons	\$32.43 Minimum Bill
Next	5,000	gallons	5.54 per 1,000 gallons
Next	20,000	gallons	5.07 per 1,000 gallons
Over	30,000	gallons	4.61 per 1,000 gallons

2 Inch Meter

First	16,000	gallons	\$90.55 Minimum Bill
Next	14,000	gallons	5.07 per 1,000 gallons
Over	30,000	gallons	4.61 per 1,000 gallons

3 Inch Meter

First	30,000	gallons	\$161.53 Minimum Bill
Over	30,000	gallons	4.61 per 1,000 gallons

4 Inch Meter

First	50,000	gallons	\$253.73 Minimum Bill
Over	50,000	gallons	4.61 per 1,000 gallons

6 Inch Meter

First	100,000	gallons	\$484.23 Minimum Bill
Over	100,000	gallons	4.61 per 1,000 gallons

Honorable Frank N King, Jr.
Attorney at Law
Dorsey, King, Gray, Norment & Hopgood
318 Second Street
Henderson, KY 42420

David W Moore
Superintendent
Henderson County Water District
655 South Main Street
P. O. Box 655
Henderson, KY 42419-0655