

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT            )  
FILING OF BRACKEN COUNTY WATER        ) CASE NO. 2012-00005  
DISTRICT                                        )

ORDER

On January 5, 2012, Bracken County Water District ("Bracken District") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.<sup>1</sup>

On January 19, 2012, Bracken County notified the Commission of its intent to amend its application.

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

1. Bracken District purchases water from the city of Augusta ("Augusta").
2. On December 27, 2011, Augusta increased its volumetric wholesale rate to Bracken District from \$1.56 per 1,000 gallons to \$1.87 per 1,000 gallons, pursuant to the terms of its Water Purchase Contract with Bracken District. On January 9, 2012, Augusta notified Bracken District of an error in the computation of the wholesale rate and that the correct wholesale rate is \$1.78 per 1,000 gallons.

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<sup>1</sup> KRS 278.015; 807 KAR 5:068.

3. Bracken District proposes a purchased water adjustment factor of \$0.34 per 1,000 gallons to be applied to its rates.

4. During the 12 months ending November 30, 2011, Bracken District purchased 158,855,600 gallons of water from Augusta and sold 143,444,800 gallons of water.

5. The purchased water adjustment factor of \$0.34 per 1,000 gallons is based upon Augusta's originally announced adjustment to its wholesale rate. Using the revised wholesale rate, which Augusta announced on January 9, 2012, the purchased water adjustment factor should be \$0.25.

6. The rates set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for water service rendered on and after February 1, 2012.

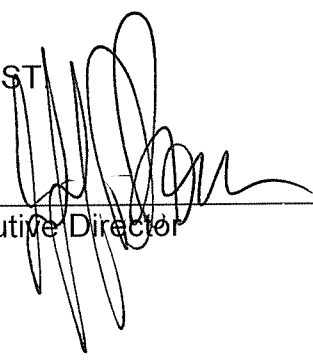
IT IS THEREFORE ORDERED that:

1. Bracken District's proposed rates are denied.
2. The purchased water adjustment factor of \$0.25 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B are approved for service rendered on or after February 1, 2012.
4. Within 20 days of the date of this Order, Bracken District shall file revised tariff sheets with the Commission that reflect the rates approved herein.

By the Commission

ENTERED <sup>CA</sup>  
FEB 02 2012  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST

  
\_\_\_\_\_  
Executive Director

Case No. 2012-00005

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2012-00005 DATED **FEB 02 2012**

	New Rate	Base Rate
Augusta		
Purchases in gallons	158,855,600	158,855,600
Volumetric rate	<u>\$1.78 /1,000</u>	<u>\$1.56/1,000</u>
	\$282,762.97	\$247,814.74
Increased water cost		\$34,948.23
Increased water cost		\$34,948.23
Divided by gallons sold		<u>143,444,800</u>
Purchased water adjustment factor		\$0.2436
		or \$0.25 per 1,000 gallons

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2012-00005 DATED **FEB 02 2012**

The following rates and charges are prescribed for the customers in the area served by Bracken 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

First 2,000 gallons	\$25.69	Minimum Bill
Next 38,000 gallons	9.79	per 1,000 gallons
Over 40,000 gallons	7.76	per 1,000 gallons
Multiple Users	\$25.69	Minimum Bill
Wholesale Water Rate	\$3.69	per 1,000 gallons
Bulk Sales Rate	\$8.75	per 1,000 gallons

Anthony Habermehl  
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