

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF FARMDALE WATER) CASE NO. 2012-00116
DISTRICT)

ORDER

On March 23, 2012, Farmdale Water District ("Farmdale") 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. Farmdale purchases water from Frankfort Electric and Water Plant Board ("Frankfort").
2. On April 1, 2012, Frankfort increased its wholesale water rate to Farmdale from \$1.81 per 1,000 gallons to \$1.91 per 1,000 gallons.²
3. During the 12 months ending December 31, 2011, Farmdale purchased 226,611,000 gallons of water from Frankfort and sold 163,695,000 gallons of water. The increase in the cost of purchased water is \$22,661.10, resulting in a purchased water adjustment factor of \$0.14 per 1,000 gallons.

¹ KRS 278.015; 807 KAR 5:068.

² Case No. 2010-00485, Proposed Adjustment of the Wholesale Water Service Rates of Frankfort Electric and Water Plant Board (Ky. PSC Mar. 16, 2011).

4. On April 1, 2012, Farmdale increased its rates for water service by \$0.14 per 1,000 gallons. This increase is commensurate with the increase in its supplier's wholesale rate.

5. Farmdale's proposed rates for water service are fair, just, and reasonable and should be approved for service rendered on or after April 1, 2012.

6. The purchased water adjustment factor of \$0.14 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

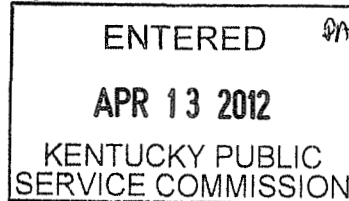
1. Farmdale's proposed rates are approved.

2. The proposed purchased water adjustment factor of \$0.14 per 1,000 gallons as calculated in Appendix A is approved.

3. The rates in Appendix B are approved for water service that Farmdale renders on or after April 1, 2012.

4. Farmdale's proposed tariff sheets filed with the application are approved.

By the Commission



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00116 DATED APR 13 2012

Frankfort	New Rate	Base Rate
Purchases in gallons	226,611,000	226,611,000
Volumetric rate	<u>\$ 1.91/1,000</u>	<u>\$ 1.81/1,000</u>
	\$ 432,827.01	\$ 410,165.91

Increased water cost \$ 22,661.10

Increased water cost	\$ 22,661.10
Divided by gallons sold	<u>163,695,000</u>
Purchased water adjustment factor	\$0.14 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2012-00116 DATED APR 13 2012

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

Residential and Commercial Consumers

5/8" x 3/4" Meter

First	2,000 gallons	\$9.56	Minimum Bill
Next	3,000 gallons	3.28	per 1,000 gallons
Next	5,000 gallons	2.78	per 1,000 gallons
Over	10,000 gallons	2.58	per 1,000 gallons

1" Meter

First	7,000 gallons	\$24.96	Minimum Bill
Next	3,000 gallons	2.78	per 1,000 gallons
Next	140,000 gallons	2.58	per 1,000 gallons
Over	150,000 gallons	2.33	per 1,000 gallons

Commercial Consumers (Stewart Home)

First	7,000 gallons	\$24.96	Minimum Bill
Next	3,000 gallons	2.78	per 1,000 gallons
Next	140,000 gallons	2.58	per 1,000 gallons
Over	150,000 gallons	2.33	per 1,000 gallons

Industrial Consumers/Trailer Parks

First	7,000 gallons	\$24.96	Minimum Bill
Next	3,000 gallons	2.78	per 1,000 gallons
Next	140,000 gallons	2.58	per 1,000 gallons
Over	150,000 gallons	2.33	per 1,000 gallons

Clifford Toles
Chairman
Farmdale Water District
100 Highwood Drive
Frankfort, KENTUCKY 40601