

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	
FILING OF PEAKS MILL WATER)	CASE NO. 2012-00461
DISTRICT)	

ORDER

On October 10, 2012, Peaks Mill Water District ("Peaks Mill") filed its application 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. Peaks Mill purchases water from Frankfort Electric and Water Plant Board, ("Frankfort") and Kentucky-American Water Company ("KAWC").
2. On September 24, 2012, Frankfort adjusted the Kentucky River Authority Fee ("KRA) component of its wholesale water rate to Peaks Mill from \$0.0965 per 1,000 gallons to \$0.1079 per 1,000 gallons.
3. Peaks Mill proposes to apply a purchased water adjustment factor of \$0.02 per 1,000 gallons to its rates.
4. Peaks Mill proposes to adjust its rates on November 15, 2012.
5. During the 12 months ended August 31, 2012, Peaks Mill purchased 85,708,900 gallons of water from Frankfort and 428,250 gallons of water from KAWC. It sold 59,834,000 gallons of water during the same period.

¹ KRS 278.015; 807 KAR 5:068.

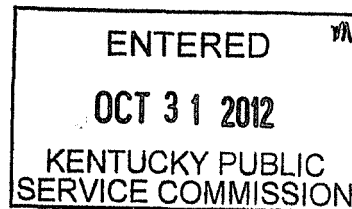
6. The purchased water adjustment factor of \$0.02 per 1,000 gallons is fair, just, and reasonable and should be approved.

7. The rates set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for water service that Peaks Mill renders on and after November 15, 2012.

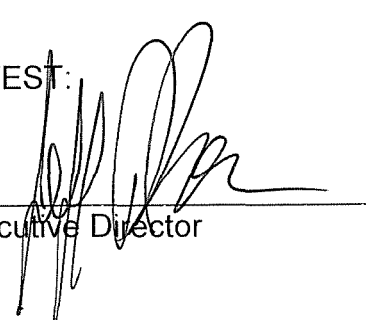
IT IS THEREFORE ORDERED that:

1. Peaks Mill's proposed rates are approved.
2. The purchased water adjustment factor of \$0.02 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B are approved for service that Peaks Mill renders on or after November 15, 2012.
4. Peaks Mill's proposed tariff sheet filed with the application is approved.

By the Commission



ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00461 DATED **OCT 31 2012**

	New Rate	Base Rate
Frankfort		
Purchases in gallons	85,708,900	85,708,900
Volumetric rate	No Change	No Change
KRA Fee rate	<u>\$0.1079/1,000</u>	<u>\$0.0965/1,000</u>
 KAWC		
Purchases in gallons	428,250	428,250
Volumetric rate	No Change	No Change
KRA Fee rate	<u>No Change</u>	<u>No Change</u>
	\$9,247.99	\$8,270.91
Increased water cost		\$977.08
 Increased water cost		\$977.08
Divided by gallons sold/1,000		<u>59,834,000</u>
Purchased water adjustment factor		\$0.0163
		or \$0.02 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2012-00461 DATED **OCT 31 2012**

The following rates and charges are prescribed for the customers in the area served by Peaks Mill 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 Rates

First	2,000 gallons	\$25.64	Minimum Bill
Next	3,000 gallons	8.51	per 1,000 gallons
Next	5,000 gallons	7.29	per 1,000 gallons
Over	10,000 gallons	6.07	per 1,000 gallons

Church Quarles
Peaks Mill Water District
7165 US 127 North
Frankfort, KY 40601