

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED WATER)	CASE NO.
ADJUSTMENT FILING OF BUFFALO TRAIL)	2020-00147
WATER ASSOCIATION)	

ORDER

On May 7, 2020, Buffalo Trail Water Association (Buffalo Trail Water) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹ On May 4, 2020, Buffalo Trail Water revised its proposed rates due to an error found in the minimum gallons for a 1 1/2-inch size meter. It was revised to the correct amount of 15,000 gallons in the minimum bill from 10,000 gallons.

In a review of the Commissions records from 1985 to the present dates, the Commission notes that its records indicate Buffalo Trail Water has not sought a general base rate adjustment since 1991. The lack of insight into Buffalo Trail Water's financial records indicates to the Commission that Buffalo Trail Water should file an application for a traditional adjustment in rates or an alternative rate adjustment within one year of the date of this Order to ensure its revenue is sufficient to support adequate and reliable service.

Having reviewed the record and being otherwise sufficiently advised, the Commission finds that:

¹ KRS 278.015; 807 KAR 5:068.

1. Buffalo Trail Water purchases water from the city of Maysville (Maysville) and Western Fleming Water District (Western Fleming District).

2. Western Fleming District notified Buffalo Trail Water that its wholesale rate would increase from \$1.63 per 1,000 gallons to \$2.14 per 1,000 gallons effective March 31, 2020. Buffalo Trail Water proposes to increase the water rates to its customers effective April 15, 2020, to reflect the increased cost of purchased water from Western Fleming District.

3. Buffalo Trail Water proposed a purchased water adjustment factor of \$0.61 per 1,000 gallons in its amended application.

4. During the 12 months ended March 31, 2020, Buffalo Trail Water purchased 118,808,000 gallons of water from Western Fleming District and 7,197,000 gallons of water from Maysville. During the same period, Buffalo Trail Water sold 100,401,000 gallons of water. The increase in the cost of purchased water is \$60,592.08, resulting in a purchased water adjustment factor of \$0.61 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.61 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

6. Buffalo Trail Water's proposed rates are denied.

7. The rates, as set forth in Appendix B to this Order, are fair, just, and reasonable and should be approved for water service rendered by Buffalo Trail Water on and after April 15, 2020.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.61 per 1,000 gallons is approved.
2. The rates proposed by Buffalo Trail Water are denied.
3. The rates as set forth in Appendix B to this Order are approved for water service rendered by Buffalo Trail Water on and after April 15, 2020.
4. Within 20 days of the date of entry of this Order, Buffalo Trail Water shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.
5. Buffalo Trail Water should file an application for a traditional adjustment in rates or an alternative rate adjustment within one year of the date of entry of this Order.
6. This case is closed and removed from the Commission's docket.

By the Commission



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2020-00147 DATED MAY 14 2020

	Base Rate	New Rate	Increase
Western Fleming Water District			
Purchases in Gallons	118,808,000	118,808,000	
Wholesale rate	<u>\$ 1.63/1,000</u>	<u>\$ 2.14/1,000</u>	
	\$ 193,657.04	\$ 254,249.12	\$ 60,592.08
Buffalo Trail Water Association			
Purchases in Gallons	7,197,000	7,197,000	
Wholesale rate	<u>\$ 2.3414/1,000</u>	<u>No Change</u>	
Increased water cost		\$ 60,592.08	
Increased water cost		\$ 60,592.08	
Divided by Gallons sold/1,000		<u>100,401,000</u>	
Purchased water adjustment factor		\$ 0.6035 per 1,000 Gallons	
		or \$ 0.61 per 1,000 Gallons	

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2020-00147 DATED MAY 14 2020

The following rates and charges are prescribed for the customers in the area served by Buffalo Trail Water Association. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8- x 3/4-Inch Meter

First 1,000 Gallons	\$15.44 Minimum Bill
Next 4,000 Gallons	6.89 Per 1,000 Gallons
Next 5,000 Gallons	5.09 Per 1,000 Gallons
Over 10,000 Gallons	4.64 Per 1,000 Gallons

3/4-Inch Meter

First 5,000 Gallons	\$43.00 Minimum Bill
Next 5,000 Gallons	5.09 Per 1,000 Gallons
Over 10,000 Gallons	4.64 Per 1,000 Gallons

1-Inch Meter

First 10,000 Gallons	\$68.45 Minimum Bill
Over 10,000 Gallons	4.64 Per 1,000 Gallons

1 1/2-Inch Meter

First 15,000 Gallons	\$91.65 Minimum Bill
Over 15,000 Gallons	4.64 Per 1,000 Gallons

2-Inch Meter

First 20,000 Gallons	\$114.85 Minimum Bill
Over 20,000 Gallons	4.64 Per 1,000 Gallons

Wholesale Rates

Mt. Olivet Water Company	\$2.69 Per 1,000 Gallons
Nicholas County Water District	\$3.29 Per 1,000 Gallons

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