

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF MONTGOMERY COUNTY) CASE NO. 2012-00345
WATER DISTRICT #1)

ORDER

On July 19, 2012, Montgomery County Utilities District No. 1 ("Montgomery County") submitted an 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. Montgomery County purchases water from Mount Sterling Water and Sewer System ("Mount Sterling").
2. On August 1, 2012, Mount Sterling increased its volumetric wholesale rate to Montgomery County from \$2.34 per 1,000 gallons to \$2.41 per 1,000 Gallons.
3. Montgomery County proposed a purchased water adjustment factor of \$0.09 per 1,000 gallons.
4. During the 12 months ending May 31, 2012, Montgomery County purchased 39,320,265 gallons of water from Mount Sterling and sold 33,416,890 gallons of water during the same 12 months. The increase in the cost of

¹ KRS 278.015; 807 KAR 5:068.

purchased water is \$2,752.42 resulting in a purchased water adjustment factor of \$0.09 per 1,000 gallons.

5. Montgomery County proposes to increase the water rates to its customers effective August 1, 2012.

6. The purchased water adjustment factor of \$0.09 per 1,000 gallons is fair, just, and reasonable and should be approved.

7. Montgomery County's proposed rates, set forth in Appendix B to this Order, are fair, just, and reasonable.

IT IS THEREFORE ORDERED that:

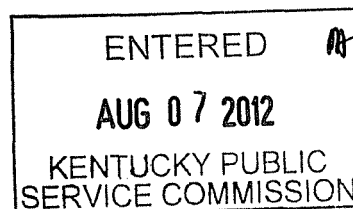
1. Montgomery County's proposed rates are approved.

2. The purchased water adjustment factor of \$0.09 per 1,000 gallons, as calculated in Appendix A, is approved.

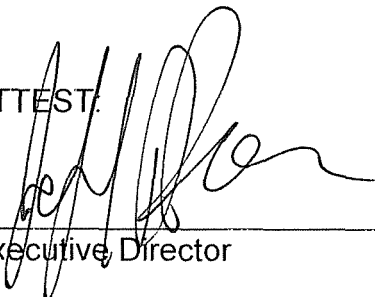
3. The rates in Appendix B are fair, just, and reasonable and are approved for service rendered on or after August 1, 2012.

4. Montgomery County'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. 2012-00345 DATED **AUG 07 2012**

Mount Sterling	New Rate	Base Rate
Purchases in gallons	39,320,265	39,320,265
Volumetric rate	<u>\$ 2.41/1,000</u>	<u>\$ 2.34/1,000</u>
	\$ 94,761.84	\$ 92,009.42

Increased water cost \$ 2,752.42

Increased water cost	\$ 2,752.42
Divided by gallons sold / 1,000	<u>33,416,890</u>
	.0824
Purchased water adjustment factor	\$0.09 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00345 DATED **AUG 07 2012**

The following rates and charges are prescribed for the customers in the area served by Montgomery County Water District #1. 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	\$21.77 Minimum Bill
Next	3,000 gallons	6.74 per 1,000 gallons
Next	5,000 gallons	6.02 per 1,000 gallons
Over	10,000 gallons	5.30 per 1,000 gallons
Wholesale Rate		\$2.55 per 1,000 gallons

Sandra Cole
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