

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|-----------------------------------|---|------------|
| PURCHASED WATER ADJUSTMENT FILING |) | CASE NO. |
| OF MORGAN COUNTY WATER DISTRICT |) | 2013-00406 |

ORDER

On November 18, 2013, Morgan County Water District ("Morgan County") 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. Morgan County purchases water from the City of West Liberty and Cave Run Water Commission ("Cave Run").
2. On September 26, 2013, Cave Run notified Morgan County that effective December 23, 2013, its wholesale water rate to Morgan County would increase from \$2.20 per 1,000 gallons to \$2.45 per 1,000 gallons.
3. Morgan County proposes to increase the water rates to its customers effective December 1, 2013, to reflect this increase in its wholesale supplier's rates for wholesale water service.
4. During the 12 months ended October 31, 2013, Morgan County purchased 73,422,000 gallons of water from Cave Run, 113,336,000 gallons of water from the city of West Liberty, and sold 108,965,250 gallons.

¹ KRS 278.015; 807 KAR 5:068.

5. As a result of Cave Run's actions, Morgan County's cost for purchased water will increase by \$18,355.50 and will require a purchased water adjustment of \$0.17 per 1,000 gallons.

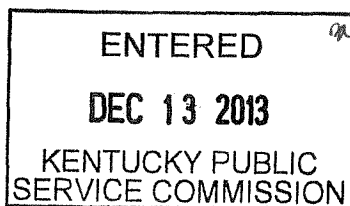
6. The purchased water adjustment of \$0.17 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just and reasonable and should be approved for service rendered on and after December 23, 2013, the date on which Cave Run's proposed wholesale rate increase takes effect.

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

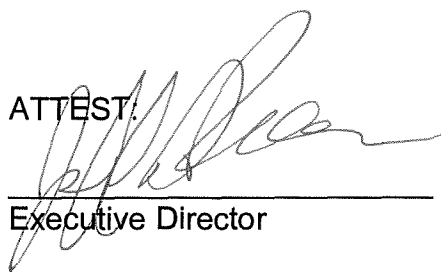
IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.17 per 1,000 gallons is approved.
2. The rates in Appendix B to this Order are approved for service rendered on or after December 23, 2013.
3. Within 20 days of the date of this Order, Morgan County shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the approved rates with an effective date of December 23, 2013.

By the Commission



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
 COMMISSION IN CASE NO. 2013-00406 DATED **DEC 13 2013**

| | New Rate | Base Rate |
|-----------------------------------|----------------------|--------------------------|
| Morgan County | | |
| Purchases in gallons | | |
| Cave Run Water | 73,422,000 | 73,422,000 |
| Volumetric rate | <u>\$2.45/1,000</u> | <u>\$2.20/1,000</u> |
| | \$179,883.90 | \$161,528.40 |
| | Increased water cost | \$18,355.50 |
| Increased water cost | | \$18,355.50 |
| Divided by gallons sold/1,000 | | <u>108,965,250</u> |
| | | \$0.1684 |
| Purchased water adjustment factor | | \$0.17 per 1,000 gallons |

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2013-00406 DATED DEC 13 2013

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

5/8- X 3/4-Inch Meter

| | | | | |
|----------|--------|---------|----------|-------------------|
| First | 2,000 | Gallons | \$ 21.13 | Minimum Bill |
| Next | 3,000 | Gallons | 7.69 | per 1,000 Gallons |
| Next | 5,000 | Gallons | 7.09 | per 1,000 Gallons |
| Next | 5,000 | Gallons | 6.49 | per 1,000 Gallons |
| All Over | 15,000 | Gallons | 5.89 | per 1,000 Gallons |

1-Inch Meter

| | | | | |
|----------|--------|---------|----------|-------------------|
| First | 5,000 | Gallons | \$ 44.30 | Minimum Bill |
| Next | 5,000 | Gallons | 7.09 | per 1,000 Gallons |
| Next | 5,000 | Gallons | 6.49 | per 1,000 Gallons |
| All Over | 15,000 | Gallons | 5.89 | per 1,000 Gallons |

2-Inch Meter

| | | | | |
|----------|--------|---------|-----------|-------------------|
| First | 15,000 | Gallons | \$ 111.20 | Minimum Bill |
| All Over | 15,000 | Gallons | 5.89 | per 1,000 Gallons |

6-Inch Meter

| | | | | |
|----------|---------|---------|----------|-------------------|
| First | 100,000 | Gallons | \$612.75 | Minimum Bill |
| All Over | 100,000 | Gallons | 5.89 | per 1,000 Gallons |

| | | |
|------------------------------|--------|-------------------|
| City of Campton Wholesale | \$3.21 | per 1,000 Gallons |
| City of Frenchburg Wholesale | \$3.21 | per 1,000 Gallons |

Kyle Risner
General Manager
Morgan County Water District
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