



unaccounted-for water loss to 15 percent would result in an approximate \$33,347.48<sup>5</sup> decrease to purchased water expense. Potentially, Kirksville Water is paying \$0.37 per 1000 gallons sold for expenses associated with unaccounted-for water loss in excess of the allowable 15 percent<sup>6</sup> threshold.

The Commission is placing greater emphasis on monitoring utilities that consistently exceed the 15 percent unaccounted-for water loss threshold and strongly encourages Kirksville Water to pursue reasonable actions to reduce its unaccounted-for water loss. Failure by Kirksville Water to make significant progress towards reducing unaccounted-for water loss may cause the Commission to pursue additional action with the utility.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Kirksville Water purchases water from Richmond Utilities (Richmond).
2. Richmond notified Kirksville Water that its wholesale volumetric water rate would increase from \$2.43398 per 100 cubic feet to \$2.49239 per 100 cubic feet and that the Kentucky River Authority Fee would be unchanged, effective July 1, 2019.<sup>7</sup> Kirksville Water proposes to increase the water rates to its customers effective July 1, 2019, to reflect the increased cost of purchased water from Richmond.

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<sup>5</sup> Water loss above 15 percent is 7.92 percent, potential purchased water expensed reduction (Total water cost at new wholesale rate times water loss above 15 percent) = \$33,347.48.

<sup>6</sup> Potential purchased water expense reduction divided by sales in gallons (\$33,347.48/ (88,958,066/1000)) equals \$0.37 per 1000 gallons.

<sup>7</sup> TFS 2019-00265 (Ky. PSC filed May 1, 2019); the tariff was accepted for filing by the Commission by letter dated June 27, 2019.

3. Kirksville Water proposed a purchased water adjustment factor of \$0.11 per 1,000 gallons in its application.

4. During the 12 months ended April 2, 2019, Kirksville Water purchased 115,621,352 gallons of water from Richmond. During the same period, Kirksville Water sold 88,958,066 gallons of water. The increase in the cost of purchased water is \$9,029.00, resulting in a purchased water adjustment factor of \$0.11 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.11 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just and reasonable, and should be approved.

6. Kirksville Water's proposed rates should be approved.

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 Kirksville Water on and after July 1, 2019.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.11 per 1,000 gallons is approved.

2. The rates proposed by Kirksville Water are approved.

3. The rates as set forth in Appendix B to this Order are approved for water service rendered by Kirksville Water on and after July 1, 2019.

4. Within 20 days of the date of entry of this Order, Kirksville Water shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

5. Within 30 days of the date of entry of this Order, Kirksville Water shall file with the Commission Proof of Notice pursuant to 807 KAR 5:068, Section 5(3).

6. Any document filed pursuant to ordering paragraph 5 of this Order shall reference the number of this case and shall be retained in the post case correspondence file.

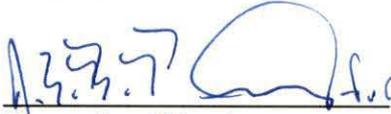
7. This case is closed and removed from the Commission's docket.

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By the Commission

ENTERED  
JUL 23 2019  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

*Wendy  
R. P. Mason*

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2019-00220 DATED **JUL 23 2019**

	New Rate	Base Rate
Richmond		
Purchases in cubic feet	15,457,400	15,457,400
KY River Authority	\$0.232/100	\$0.232/100
Volumetric rate	\$2.49239/100	\$2.43398/100
Total Volumetric rate	<u>\$ 2.72439/100</u>	<u>\$ 2.66598/100</u>
	\$421,119.86	\$412,091.19
Increased water cost		\$ 9,028.67
Increased water cost		\$ 9,028.67
Divided by Gallons sold/1,000		<u>88,958,066</u>
Purchased water adjustment factor		\$ 0.1015 per 1,000 Gallons
		or \$ 0.11 per 1,000 Gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2019-00220 DATED **JUL 23 2019**

The following rates and charges are prescribed for the customers in the area served by Kirksville Water Association. 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	\$ 20.27 Minimum Bill
Next	3,000 Gallons	\$ 9.78 per 1,000 Gallons
Next	5,000 Gallons	\$ 8.31 per 1,000 Gallons
Over	10,000 Gallons	\$ 7.09 per 1,000 Gallons

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