

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF MURRAY)	CASE NO.
WATER DISTRICT NO. 2)	2018-00271

ORDER

On August 15, 2018, Murray Water District No. 2 (Murray District No. 2) 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. Murray District No. 2 purchases water from the Murray Municipal Utilities (Murray).

2. Murray notified Murray District No. 2 that its wholesale rate increased pursuant to Murray's tariff, which provided for a phased increase to rates. The first increase occurred on July 1, 2015. The phased rates provided that Murray's wholesale rate to Murray District No. 2 would increase 10 percent every 6 months from \$1.66 per 1,000 gallons to \$3.23 per 1,000 gallons with the last increase effective July 1, 2018.² Murray District No. 2 did not file Purchased Water Adjustments per 807 KAR 5:068 commensurate with increases that occurred every six months. Murray District No. 2

¹ KRS 278.015; 807 KAR 5:068.

² TFS 2015-00340 (Ky. PSC filed May 28, 2015); the tariff was accepted for filing by the Commission by letter dated July 1, 2015.

proposes to increase the water rates to its customers effective October 1, 2018, to reflect the increased cost of purchased water from Murray.

3. Murray District No. 2 proposed a purchased water adjustment factor of \$1.57 per 1,000 gallons in its application.

4. During the 12-month period that ended July 31, 2018, Murray District No. 2 purchased 14,935,500 gallons of water from Murray. During the same period, Murray District No. 2 sold 14,935,500 gallons of water. The increase in the cost of purchased water is \$23,448.74, resulting in a purchased water adjustment factor of \$1.57 per 1,000 gallons.

5. The purchased water adjustment factor of \$1.57 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable, and should be approved.

6. 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 Murray District No. 2 on and after October 1, 2018.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$1.57 per 1,000 gallons is approved.

2. The rates proposed by Murray District No. 2 are approved.

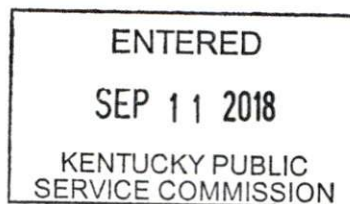
3. The rates as set forth in Appendix B to this Order are approved for water service rendered by Murray District No. 2 on and after October 1, 2018.

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

5. This case is closed and removed from the Commission's Docket.

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By the Commission



ATTEST:


Executive Director

Case No. 2018-00271

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2018-00271 DATED **SEP 11 2018**

	New Rate	Base Rate
Murray		
Purchases in Gallons	14,935,500	14,935,500
Wholesale rate	<u>\$ 3.23/1000</u>	<u>\$ 1.66/1000</u>
	\$48,241.67	\$24,792.93
Increased water cost		\$ 23,448.74
Increased water cost		\$ 23,448.74
Divided by Gallons sold/1,000		<u>14,935,500</u>
Purchased water adjustment factor		\$ 1.570 per 1,000 Gallons
		or \$ 1.57 per 1,000 Gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2018-00271 DATED **SEP 11 2018**

The following rates and charges are prescribed for the customers in the area served by Murray Water District No. 2. 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-Inch x 3/4-Inch Meter

First	1,500 Gallons	\$ 8.82 Minimum Bill
Next	8,500 Gallons	5.01 per 1,000 Gallons
Next	40,000 Gallons	3.71 per 1,000 Gallons
Over	50,000 Gallons	3.41 per 1,000 Gallons

*Murray #2 Water District
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Murray, KY 42071

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