

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	CASE NO.
OF MONTGOMERY COUNTY WATER)	2005-00390
DISTRICT NO. 1)	

O R D E R

On September 23, 2005, Montgomery County Water District No. 1 ("Montgomery County") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

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

1. Montgomery County purchases water from the city of Mount Sterling ("Mount Sterling").
2. Mount Sterling notified Montgomery County that, effective with service rendered on and after October 1, 2005, Mount Sterling's wholesale water rate to Montgomery County would increase from a declining block rate schedule to \$1.88 per 1,000 gallons. The cost to Montgomery County would be calculated solely on the \$1.88 per 1,000 gallons and Mount Sterling will no longer use a declining block rate schedule to determine this cost to Montgomery County.
3. During the 12 months ending July 31, 2005, Montgomery County purchased 84,343,955 gallons of water from Mount Sterling and sold 82,850,470 gallons. The increase in the cost of purchased water is \$13,244, resulting in a purchased water adjustment of \$0.16 per 1,000 gallons.

4. The purchased water adjustment of \$0.16 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. Montgomery County's proposed rates are approved.
2. The purchased water adjustment of \$0.16 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after November 28, 2005.
3. The proposed tariff sheets filed by Montgomery County are accepted as filed.

Done at Frankfort, Kentucky, this 14th day of October, 2005.

By the Commission

ATTEST:


Executive Director

Case No. 2005-00390

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2005-00390 DATED OCTOBER 14, 2005

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

First	2,000	gallons	\$15.30 Minimum Bill
Next	3,000	gallons	4.53 per 1,000 gallons
Next	5,000	gallons	3.99 per 1,000 gallons
Over	10,000	gallons	3.45 per 1,000 gallons
Wholesale Customer			1.91 per 1,000 gallons