

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
OF MADISON COUNTY UTILITIES) CASE NO. 2007-00259
DISTRICT)

O R D E R

On June 26, 2007, Madison County Utilities District ("Madison County") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068. Madison County proposed in the application to increase the minimum bill by \$0.80, even though they also proposed that it be \$0.40 per 100 cubic feet. The minimum bill in Madison County's rate design includes 280 cubic feet of usage. Therefore, the proposed purchased water adjustment factor of \$0.40 per 100 cubic feet would actually calculate to an increase of \$1.12 to the minimum bill.

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

1. Madison County purchases water from Richmond Utilities ("Richmond").
2. Richmond notified Madison County that, effective July 1, 2007, Richmond's wholesale water rate to Madison County would increase from \$1.69 per 100 cubic feet to \$2.02 per 100 cubic feet. Madison County proposes to increase the water rates to its customers effective July 1, 2007.
3. During the 12 months ending May 31, 2007, Madison County purchased a total of 102,230,700 cubic feet of water and sold 84,110,521 cubic feet. The increase in

the cost of purchased water is \$337,361, resulting in a purchased water adjustment of \$0.40 per 100 cubic feet.

4. The purchased water adjustment of \$0.40 per 100 cubic feet is fair, just, and reasonable and should be approved.

5. Madison County miscalculated the proposed increase to the minimum bill, and the rates to be approved herein should be corrected as set forth above.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Madison County are denied.


2. The purchased water adjustment of \$0.40 per 100 cubic feet 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 July 1, 2007.

3. Within 20 days of the date of this Order, Madison County shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 26th day of July, 2007.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00259 DATED JULY 26, 2007

The following rates and charges are prescribed for the customers in the area served by Madison County Utilities 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.

RATES AND CHARGES

First	280 cubic feet	\$13.05	Minimum Bill
Next	720 cubic feet	4.07	per 100 cubic feet
Next	3,000 cubic feet	3.87	per 100 cubic feet
Next	8,000 cubic feet	3.70	per 100 cubic feet
Next	88,000 cubic feet	3.53	per 100 cubic feet
Over	100,000 cubic feet	3.26	per 100 cubic feet