

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF MONTGOMERY COUNTY) CASE NO. 2011-00133
WATER DISTRICT NO. 1)

ORDER

On April 14, 2011, Montgomery County Water District No. 1 ("Montgomery 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. Montgomery County purchases water from Mount Sterling Water and Sewer Commission ("Mount Sterling").
2. Mount Sterling notified Montgomery County that, effective May 1, 2011, its volumetric wholesale rate to Montgomery County will increase from \$2.07 per 1,000 gallons to \$2.34 per 1,000 gallons.
3. Montgomery County proposes a purchased water adjustment factor of \$0.33 per 1,000 gallons.
4. During the 12 months ending February 28, 2011, Montgomery County purchased 44,336,728 gallons of water from Mt. Sterling and sold 36,964,820 gallons.

¹ KRS 278.015; 807 KAR 5:068.

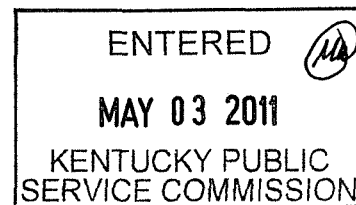
The increase in the cost of purchased water is \$11,970.91, resulting in a purchased water adjustment factor of \$0.33 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.33 per 1,000 gallons is fair, just, and reasonable and should be approved.

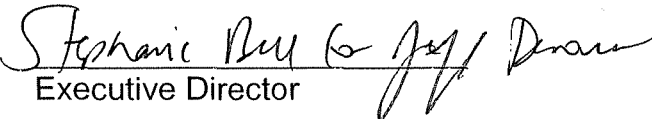
IT IS THEREFORE ORDERED that:

1. Montgomery County's proposed rates are approved.
2. The purchased water adjustment factor of \$0.33 per 1,000 gallons as calculated in Appendix A hereto is approved.
3. The rates in Appendix B are approved for service rendered on or after May 1, 2011.
4. Montgomery County's proposed tariff sheet is approved.

By the Commission



ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00133 DATED **MAY 03 2011**

	New Rate	Base Rate
Mount Sterling		
Purchases in gallons	44,336,728	44,336,728
Volumetric rate	<u>\$2.34 /1,000</u>	<u>\$2.07/1,000</u>
	\$103,747.94	\$91,777.03
	Increased water cost	\$11,970.91

Increased water cost	\$ 11,970.91
Divided by gallons sold	<u>36,964,820</u>
Purchased water adjustment factor	\$ 0.33 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2011-00133 DATED **MAY 03 2011**

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	\$21.59	Minimum Bill
Next	3,000 gallons	6.65	per 1,000 gallons
Next	5,000 gallons	5.93	per 1,000 gallons
Over	10,000 gallons	5.21	per 1,000 gallons
Wholesale Customers		\$2.46	per 1,000 gallons

Sandra Cole
Montgomery County Water District #1
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