

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	CASE NO.
FILING OF MUHLENBERG COUNTY)	2013-00128
WATER DISTRICT District)	

ORDER

On March 29, 2013, Muhlenberg County Water District District (“Muhlenberg District”) 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. Muhlenberg District purchases water from Central City, Kentucky (“Central City”).
2. On March 17, 2013, Central City increased its wholesale rate to Muhlenberg District from \$1.57 per 1,000 gallons to \$2.63 per 1,000 gallons.
3. Muhlenberg District proposed a purchased water adjustment factor of 12.6 percent and new rates based upon this factor that would become effective on April 17, 2013.
4. Muhlenberg District miscalculated the Purchased Water Adjustment Factor.

¹ KRS 278.015 ; 807 KAR 5:068.

5. During the 12 months ended February 28, 2012, Muhlenberg District purchased 273,039,000 gallons of water from Central City, and sold 229,355,900 gallons of water. As a result of the increase in Central City's wholesale rate, Muhlenberg District's cost of purchased water will increase \$289,421.34, resulting in a purchased water adjustment factor of \$1.27 per 1,000 gallons. The calculation of this factor is shown in Appendix A to this Order.

6. The purchased water adjustment factor of \$1.27 per 1,000 gallons is fair, just, and reasonable and should be approved.

7. The application of a purchased water adjustment factor of \$1.27 per 1,000 gallons to Muhlenberg District's present rates produces the rates set forth in Appendix B to this Order. These rates are fair, just, and reasonable and should be approved for service that Muhlenberg District renders on and after April 17, 2013.

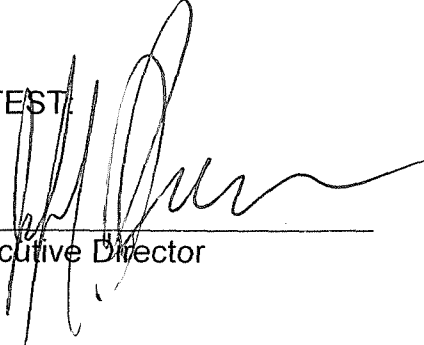
IT IS THEREFORE ORDERED that:

1. Muhlenberg District's proposed rates are denied.
2. A purchased water adjustment factor of \$1.27 per 1,000 gallons is approved.
3. The rates in Appendix B are approved for water service rendered on or after April 17, 2013.
4. Within 20 days of the date of this Order, Muhlenberg District shall file with the Commission, using the Commission's electronic Tariff Filing System, a revised tariff sheet showing the approved rates.

By the Commission

ENTERED
APR 23 2013
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2013-00128 DATED APR 23 2013

Central City	Changed Rate	Base Rate
Purchases in gallons	273,039,000	273,039,000
Volumetric rate	<u>\$ 2.63/ 1,000</u>	<u>\$1.57/ 1,000</u>
	\$ 718,092.57	\$428,671.23
	Increased water cost	\$ 289,421.34
Increased water cost	\$289,421.34	
Divided by gallons sold / 1,000	<u>229,355,900</u>	
	\$ 1.262	
Purchased water adjustment factor	\$ 1.27 per 1,000 gallons	

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2013-00128 DATED APR 23 2013

The following rates and charges are prescribed for the customers in the area served by Muhlenberg County Water District #3. 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

5/8-Inch x 3/4-Inch Meter through 2-Inch Meter

First	2,000 gallons	\$17.75 Minimum Bill
Next	8,000 gallons	5.45 per 1,000 gallons
Next	10,000 gallons	5.16 per 1,000 gallons
Next	30,000 gallons	4.79 per 1,000 gallons
Over	50,000 gallons	4.51 per 1,000 gallons

Chester Lear
Superintendent
Muhlenberg County Water District #3
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