

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF) CASE NO.
MORGAN COUNTY WATER DISTRICT) 2014-00075

ORDER

On March 24, 2014, Morgan County Water District (“Morgan County”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure¹.

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

1. Morgan County purchases water from the city of West Liberty (“West Liberty”) and Cave Run Water Commission.

2. On April 1, 2014, West Liberty increased its wholesale water rate to Morgan County from \$2.79 per 1,000 gallons to \$3.08 per 1,000 gallons.² Morgan County proposes to increase the water rates to its customers effective April 1, 2014.

3. In its application, Morgan County erroneously stated that West Liberty’s wholesale water rate would be increasing to \$3.07 and not \$3.08, resulting in a miscalculation of the purchased water adjustment.

4. On March 13, 2014, Morgan County supplemented its application to include the total gallons sold during the test period in addition to the revenues generated from water sales.

¹ KRS 278.015; 807 KAR 5:068.

² TFS 2014-00036 (Ky. PSC Filed Jan. 24, 2014); Letter from Dennis Brent Kirtley, Tariff Branch Manager, Public Service Commission, to Jeff Proffitt, City of Tompkinsville (Mar. 14, 2014).

5. During the 12 months ending January 31, 2014, Morgan County purchased 73,302,000 gallons of water from Cave Run Water Commission and 112,821,000 gallons of water from West Liberty, and sold 106,910,540 gallons. The increase in the cost of purchased water is \$32,718.09, resulting in a purchased water adjustment of \$0.31 per 1,000 gallons.

6. The purchased water adjustment of \$0.31 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

7. The rates calculated by Staff, as set forth in Appendix B to this Order, are fair, just, and reasonable and should be approved for water service rendered on and after April 1, 2014.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.31 per 1,000 gallons is approved.
2. Morgan County's proposed rates are denied.
3. The rates in Appendix B, attached hereto and incorporated herein, are approved for services rendered on or after April 1, 2014.
4. Within 20 days of the date of this Order, Morgan County shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

By the Commission

ENTERED
APR 11 2014
KENTUCKY PUBLIC
SERVICE COMMISSION

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00075 DATED APR 11 2014

	New Rate	Base Rate
Morgan County		
Purchases in gallons		
West Liberty	112,821,000	112,821,000
Volumetric rate	<u>\$ 3.08/1,000</u>	<u>\$ 2.79/1,000</u>
	\$ 347,488.68	\$ 314,770.59
	Increased water cost	\$32,718.09
Increased water cost	\$32,718.09	
Divided by gallons sold/1,000	<u>106,910,540</u>	
	\$0.3060	
Purchased water adjustment factor	\$0.31 per 1,000 gallons	

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00075 DATED **APR 11 2014**

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

5/8- X 3/4-Inch Meter

First	2,000	Gallons	\$ 21.75	Minimum Bill
Next	3,000	Gallons	8.00	per 1,000 Gallons
Next	5,000	Gallons	7.40	per 1,000 Gallons
Next	5,000	Gallons	6.80	per 1,000 Gallons
All Over	15,000	Gallons	6.20	per 1,000 Gallons

1-Inch Meter

First	5,000	Gallons	\$ 45.85	Minimum Bill
Next	5,000	Gallons	7.40	per 1,000 Gallons
Next	5,000	Gallons	6.80	per 1,000 Gallons
All Over	15,000	Gallons	6.20	per 1,000 Gallons

2-Inch Meter

First	15,000	Gallons	\$ 115.85	Minimum Bill
All Over	15,000	Gallons	6.20	per 1,000 Gallons

6-Inch Meter

First	100,000	Gallons	\$643.75	Minimum Bill
All Over	100,000	Gallons	6.20	per 1,000 Gallons

City of Campton Wholesale	\$3.52	per 1,000 Gallons
City of Frenchburg Wholesale	\$3.52	per 1,000 Gallons

Kyle Risner
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