

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF ) CASE NO.  
MONTGOMERY COUNTY WATER DISTRICT NO. 1 ) 2014-00261

ORDER

On July 21, 2014, Montgomery County Water District No. 1 ("Montgomery County") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.<sup>1</sup>

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

1. Montgomery County purchases water from the Mount Sterling Water and Sewer System ("Mount Sterling").
2. Mount Sterling notified Montgomery County that effective August 1, 2014, Mount Sterling would increase its wholesale rate to Montgomery County from \$2.46 per 1,000 gallons to \$2.77 per 1,000 gallons.<sup>2</sup> Montgomery County proposed to increase the water rates to its customers to reflect the increased cost of purchased water effective August 1, 2014.
3. During the 12 months ended May 31, 2014, Montgomery County purchased 41,987,633 gallons of water from Mount Sterling and sold 35,169,340

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<sup>1</sup> KRS 278.015; 807 KAR 5:068.

<sup>2</sup> TFS 2014-00392 (Ky. PSC filed June 23, 2014); The tariff was accepted for filing by the Commission by letter dated July 31, 2014.

gallons. The increase in the cost of purchased water is \$13,016.17, resulting in a purchased water adjustment of \$0.38 per 1,000 gallons.

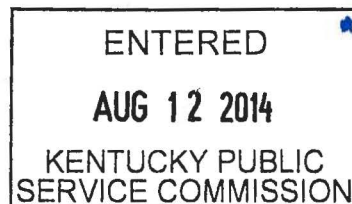
4. The purchased water adjustment of \$0.38 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

5. Montgomery County's proposed rates 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 August 1, 2014.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.38 per 1,000 gallons is approved.
2. Montgomery County's proposed rates are approved for water service rendered on and after August 1, 2014.
3. Within 20 days of the date of this Order, Montgomery 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



ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2014-00261 DATED **AUG 12 2014**

	New Rate	Base Rate
Montgomery County Purchases in gallons		
Mount Sterling	41,987,633	41,987,633
Volumetric rate	<u>\$ 2.77/1,000</u>	<u>\$ 2.46/1,000</u>
	\$ 116,305.75	\$ 103,289.58
Increased water cost		\$ 13,016.17
Increased water cost		\$ 13,016.17
Divided by gallons sold/1,000		<u>35,169,340</u>
Purchased water adjustment factor		\$ 0.37001 per 1,000 gallons
or		\$ 0.38 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2014-00261 DATED **AUG 12 2014**

The following rates and charges are prescribed for the customers in the area served by Montgomery County Water District No. 1. 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	\$22.65 Minimum Bill
Next	3,000 gallons	7.18 per 1,000 gallons
Next	5,000 gallons	6.46 per 1,000 gallons
Over	10,000 gallons	5.74 per 1,000 gallons
Wholesale Customers		2.99 per 1,000 gallons

Sandra Cole  
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