

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF)	CASE NO.
MONTGOMERY COUNTY WATER DISTRICT #1)	2016-00211

ORDER

On June 21, 2016, Montgomery County Water District #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 the Mount Sterling Water and Sewer System (“Mt. Sterling”).

2. Mt. Sterling notified Montgomery County on May 20, 2016, that its wholesale rate to Montgomery County would increase from \$2.85 per 1,000 gallons to \$2.96 per 1,000 effective July 1, 2016.² Montgomery County proposed to increase the water rates to its customers effective July 1, 2016, to reflect the increased cost of purchased water.

3. On June 29, 2016, Montgomery County filed a letter requesting to revise the proposed purchased water adjustment factor from \$0.11 per 1,000 gallons to \$0.12

¹ KRS 278.015; 807 KAR 5:068.

² TFS 2016-00321 (Ky. PSC filed May 24, 2016); the tariff was accepted for filing by the Commission by letter dated June 22, 2016.

per 1,000 gallons. Therefore, the rates proposed in the initial application, based on the the \$0.11 per 1,000 gallon purchased water adjustment factor, should be denied.

4. During the 12 months ended April 30, 2016, Montgomery County purchased 39,646,715 gallons of water from Mt. Sterling and sold 37,991,639 gallons of water. The increase in the cost of purchased water is \$4,361.14, resulting in a purchased water adjustment factor of \$0.12 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.12 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

6. The rates as set forth in Appendix B to this Order are fair, just and reasonable and should be approved for water service rendered by Montgomery County on and after July 1, 2016.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.12 per 1,000 gallons is approved.

2. Montgomery County's proposed rates are denied.

3. The rates set forth in Appendix B to this Order are approved for water service rendered by Montgomery County on and after July 1, 2016.

4. 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

ENTERED
JUL 14 2016
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2016-00211

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
 COMMISSION IN CASE NO. 2016-00211 DATED **JUL 14 2016**

	New Rate	Base Rate
Montgomery County Purchases in gallons Mt. Sterling	39,646,715	39,646,715
Volumetric rate	<u>\$ 2.96/1,000</u>	<u>\$ 2.85/1,000</u>
	\$117,354.28	\$112,993.14
Increased water cost		\$ 4,361.14
Increased water cost		\$ 4,361.14
Divided by gallons sold/1,000		<u>37,991,639</u>
Purchased water adjustment factor		\$ 0.1147 per 1,000 gallons
	or \$	0.12 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00211 DATED **JUL 14 2016**

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	\$ 23.09 Minimum Bill
Next	3,000 gallons	7.40 per 1,000 gallons
Next	5,000 gallons	6.68 per 1,000 gallons
Over	10,000 gallons	5.96 per 1,000 gallons
Wholesale Customers		\$ 3.21 per 1,000 gallons

*Montgomery County Water District #1
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