COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF)CASE NO.JUDY WATER ASSOCIATION, INC.)2016-00330

ORDER

On September 15, 2016, Judy Water Association, Inc. ("Judy") 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. Judy purchases water from the city of North Middletown ("North Middletown") and from Mount Sterling Water ("Mount Sterling").

2. North Middletown notified Judy, that its wholesale rate to Judy would increase from \$4.77 per 1,000 gallons for the first two million gallons to \$5.01 per 1,000 gallons and from \$4.87 per 1,000 gallons for any water over two million gallons to \$5.11 per 1,000 gallons effective October 1, 2016.² Judy proposes to increase the water rates to its customers effective October 1, 2016, to reflect the increased cost of purchased water.

Judy proposes a purchased water adjustment factor of \$0.07 per 1,000 gallons.

¹ KRS 278.012; 807 KAR 5:068.

² TFS 2016-00515 (Ky. PSC filed Aug. 31, 2016); the tariff was accepted for filing by the Commission by letter dated Sep. 30, 2016.

4. During the 12 months ended August 31, 2016, Judy purchased 36,258,000 gallons of water from North Middletown and 116,322,100 gallons of water from Mount Sterling. During the same period, Judy sold 132,736,800 gallons of water. The increase in the cost of purchased water is \$8,701.82, resulting in a purchased water adjustment factor of \$0.07 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.07 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

6. Judy'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 by Judy on and after October 1, 2016.

IT IS THEREFORE ORDERED that:

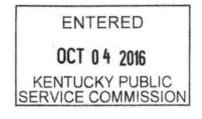
1. The purchased water adjustment factor of \$0.07 per 1,000 gallons is approved.

2. Judy's proposed rates as set forth in Appendix B to this Order are approved for water service rendered by Judy on and after October 1, 2016.

3. Within 20 days of the date of this Order, Judy shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

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By the Commission



ATTEST:

Matheur **Executive Director**

Case No. 2016-00330

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2016-00330 DATED OCT 0 4 2016

	New Rate	Base Rate
Judy Purchases in gallons North Middletown 1 st 2 Million-Gallon rate	24,000,000 <u>\$ 5.01/1,000</u> \$120,240.00	24,000,000 <u>\$ 4.77/1,000</u> \$114,480.00
North Middletown Purchases in gallons Over 2 Million-Gallon rat	12,258,000 te <u>\$ 5.11/1,000</u> \$ 62,638.38	12,258,000 <u>\$ 4.87/1,000</u> \$ 59,696.46
Mount Sterling Volumetric rate	116,322,100 <u>NO CHANGE</u>	116,322,100 NO CHANGE
Total	\$182,878.38	\$174,176.46
Increased water cost		\$8,701.92

Increased water cost		\$ 8,701.92
Divided by gallons sold/1,000		132,736,800
Purchased water adjustment factor		\$ 0.0655 per 1,000 gallons
	or	\$ 0.07 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2016-00330 DATED OCT 0 4 2016

The following rates and charges are prescribed for the customers in the area served by Judy Water Association, Inc. 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	1,000	gallons
Next	4,000	gallons
Next	5,000	gallons
Over	10,000	gallons

\$ 13.07 Minimum Bill
8.70 per 1,000 gallons
7.80 per 1,000 gallons
6.90 per 1,000 gallons

*Judy Water Association, Inc. 2010 Maysville Road P. O. Box 781 Mt. Sterling, KY 40353-0781

*Billy Ray Fawns Judy Water Association, Inc. 2010 Maysville Road P. O. Box 781 Mt. Sterling, KY 40353-0781