

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF ) CASE NO.  
UNION COUNTY WATER DISTRICT ) 2018-00045

ORDER

On January 29, 2018, Union County Water District (“Union 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. Union County purchases water from the city of Morganfield (“Morganfield”).

2. Morganfield notified Union County that its wholesale rate would decrease from \$2.5891 per 1,000 gallons to \$2.565 per 1,000 gallons effective January 1, 2018.<sup>2</sup> Union County proposes to decrease the water rates to its customers effective January 1, 2018, to reflect the decreased cost of purchased water from Morganfield.

3. Union County proposed a purchased water adjustment factor of \$(0.03) per 1,000 gallons in its application. Union County erroneously calculated the requested purchase water adjustment factor. In cases such as this, in which there is a decrease in costs, the correct way to adjust the purchased water adjustment factor is to round down,

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

<sup>2</sup> TFS 2018-00021 (Ky. PSC filed January 10, 2018); the tariff was accepted for filing by the Commission by letter dated January 24, 2018.

so that Union County still recovers the cost of the water purchased. Therefore, the appropriate purchase water adjustment factor should be \$(0.02) per 1,000 gallons.

4. During the 12 months ended October 31, 2017, Union County purchased 363,575,800 gallons of water from Morganfield. During the same period, Union County sold 304,685,675 gallons of water. The decrease in the cost of purchased water is \$(8,762.18), resulting in a purchased water adjustment factor of \$(0.02) per 1,000 gallons.

5. The purchased water adjustment factor of \$(0.02) per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just and reasonable, and should be approved.

6. Union County's proposed rates should be denied.

7. 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 Union County on and after January 1, 2018.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$(0.02) per 1,000 gallons is approved.

2. The rates proposed by Union County are denied.

3. The rates as set forth in Appendix B to this Order are approved for water service rendered by Union County on and after January 1, 2018.

4. Within 20 days of the date of entry of this Order, Union 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  
FEB 21 2018  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
\_\_\_\_\_  
Executive Director

Case No. 2018-00045

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2018-00045 DATED **FEB 21 2018**

	New Rate	Base Rate
Morganfield		
Purchases in gallons	363,575,800	363,575,800
Wholesale rate	<u>\$ 2.565/1,000</u>	<u>\$ 2.5891/1,000</u>
Total	\$932,571.93	\$941,334.10
Decreased water cost		\$ (8,762.17)
Decreased water cost		\$ (8,762.17)
Divided by gallons sold/1,000		<u>304,685,675</u>
Purchased water adjustment factor		\$ (0.028) per 1,000 Gallons
		or \$ (0.02) per 1,000 Gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2018-00045 DATED **FEB 21 2018**

The following rates and charges are prescribed for the customers in the area served by Union 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-Inch Meter

First	2,000 Gallons	\$ 13.39 Minimum Bill
Next	3,000 Gallons	6.69 per 1,000 Gallons
Next	5,000 Gallons	6.29 per 1,000 Gallons
Next	15,000 Gallons	5.94 per 1,000 Gallons
Next	25,000 Gallons	5.64 per 1,000 Gallons
Next	50,000 Gallons	5.24 per 1,000 Gallons
Next	100,000 Gallons	4.84 per 1,000 Gallons
Next	100,000 Gallons	4.44 per 1,000 Gallons
Over	300,000 Gallons	4.04 per 1,000 Gallons

3/4-Inch Meter

First	5,000 Gallons	\$ 33.45 Minimum Bill
Next	5,000 Gallons	6.29 per 1,000 Gallons
Next	15,000 Gallons	5.94 per 1,000 Gallons
Next	25,000 Gallons	5.64 per 1,000 Gallons
Next	50,000 Gallons	5.24 per 1,000 Gallons
Next	100,000 Gallons	4.84 per 1,000 Gallons
Next	100,000 Gallons	4.44 per 1,000 Gallons
Over	300,000 Gallons	4.04 per 1,000 Gallons

1-Inch Meter

First	10,000 Gallons	\$ 64.90 Minimum Bill
Next	15,000 Gallons	5.94 per 1,000 Gallons
Next	25,000 Gallons	5.64 per 1,000 Gallons
Next	50,000 Gallons	5.24 per 1,000 Gallons
Next	100,000 Gallons	4.84 per 1,000 Gallons
Next	100,000 Gallons	4.44 per 1,000 Gallons
Over	300,000 Gallons	4.04 per 1,000 Gallons

1 1/2-Inch Meter

First	25,000 Gallons	\$154.00 Minimum Bill
Next	25,000 Gallons	5.64 per 1,000 Gallons
Next	50,000 Gallons	5.24 per 1,000 Gallons
Next	100,000 Gallons	4.84 per 1,000 Gallons
Next	100,000 Gallons	4.44 per 1,000 Gallons
Over	300,000 Gallons	4.04 per 1,000 Gallons

2-Inch Meter

First	50,000 Gallons	\$295.00 Minimum Bill
Next	50,000 Gallons	5.24 per 1,000 Gallons
Next	100,000 Gallons	4.84 per 1,000 Gallons
Next	100,000 Gallons	4.44 per 1,000 Gallons
Over	300,000 Gallons	4.04 per 1,000 Gallons

2 1/2-Inch Meter

First	75,000 Gallons	\$ 425.99 Minimum Bill
Next	25,000 Gallons	5.24 per 1,000 Gallons
Next	100,000 Gallons	4.84 per 1,000 Gallons
Next	100,000 Gallons	4.44 per 1,000 Gallons
Over	300,000 Gallons	4.04 per 1,000 Gallons

3-Inch Meter

First	100,000 Gallons	\$ 556.99 Minimum Bill
Next	100,000 Gallons	4.84 per 1,000 Gallons
Next	100,000 Gallons	4.44 per 1,000 Gallons
Over	300,000 Gallons	4.04 per 1,000 Gallons

4-Inch Meter

First	200,000 Gallons	\$ 1,040.98 Minimum Bill
Next	100,000 Gallons	4.44 per 1,000 Gallons
Over	300,000 Gallons	4.04 per 1,000 Gallons

6-Inch Meter

First	300,000 Gallons	\$ 1,484.97 Minimum Bill
Over	300,000 Gallons	4.04 per 1,000 Gallons

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