

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF	)	CASE NO.
UNION COUNTY WATER DISTRICT	)	2018-00423

ORDER

On December 21, 2018, Union County Water District (Union District) 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 District purchases water from the city of Morganfield (Morganfield).
2. Morganfield notified Union District that its wholesale volumetric water rate would decrease from \$2.5650 per 1,000 gallons to \$2.2589 effective January 1, 2019.<sup>2</sup> Union District proposes to decrease the water rates to its customers effective January 1, 2019, to reflect the decreased cost of purchased water from Morganfield.
3. Union District proposed a purchased water adjustment factor of (\$0.3600) per 1,000 gallons in its application.
4. During the 12 months ended October 31, 2018, Union District purchased 369,757,600 gallons of water from Morganfield. During the same period, Union District sold 316,728,865 gallons of water. The decrease in the cost of purchased water is

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

<sup>2</sup> TFS 2018-00487 (Ky. PSC filed Oct. 25, 2018); the tariff was accepted for filing by the Commission by letter dated Dec. 19, 2018.

(\$113,182.8014), resulting in a purchased water adjustment factor of (\$0.3500) per 1,000 gallons.

5. Union District miscalculated the purchased water adjustment factor in its application and rounded up to (\$0.3600) which would cause Union County to refund more money to its customers than the amount of the decreased cost of purchased water.

6. The purchased water adjustment factor of (\$0.3500) per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable, and should be approved.

7. Union District's proposed rates should be denied.

8. 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 District on and after January 1, 2019.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of (\$0.3600) per 1,000 gallons is denied.

2. The rates proposed by Union District are denied.

3. The rates as set forth in Appendix B to this Order are approved for water service rendered by Union District on and after January 1, 2019.

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

5. This case is hereby closed and will be removed from the Commission's docket.

By the Commission

ENTERED  
JAN 15 2019  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
 COMMISSION IN CASE NO. 2018-00423 DATED **JAN 15 2019**

	New Rate	Base Rate
Morganfield		
Purchases in Gallons	369,757,600	369,757,600
Wholesale rate	<u>\$2.2589/1,000</u>	<u>\$2.5650/1,000</u>
	\$835,245.4426	\$948,428.2440
Total	\$835,245.4426	\$948,428.2440
Decreased water cost		(\$ 113,182.8014)
Decreased water cost		(\$ 113,182.8014)
Divided by Gallons sold/1,000		<u>316,728,865</u>
Purchased water adjustment factor		(\$ 0.3573) per 1,000 Gallons
		or (\$ 0.3500) per 1,000 Gallons

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2018-00423 DATED **JAN 15 2019**

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 the authority of the Commission prior to the effective date of this Order.

#### Monthly Water Rates

##### 5/8" X 3/4" Meters

First 2,000 Gallons	\$12.69 Minimum Bill
Next 3,000 Gallons	6.34 Per 1,000 Gallons
Next 5,000 Gallons	5.94 Per 1,000 Gallons
Next 15,000 Gallons	5.59 Per 1,000 Gallons
Next 25,000 Gallons	5.29 Per 1,000 Gallons
Next 50,000 Gallons	4.89 Per 1,000 Gallons
Next 100,000 Gallons	4.49 Per 1,000 Gallons
Next 100,000 Gallons	4.09 Per 1,000 Gallons
Over 300,000 Gallons	3.69 Per 1,000 Gallons

##### 3/4" Meters

First 5,000 Gallons	\$31.70 Minimum Bill
Next 5,000 Gallons	5.94 Per 1,000 Gallons
Next 15,000 Gallons	5.59 Per 1,000 Gallons
Next 25,000 Gallons	5.29 Per 1,000 Gallons
Next 50,000 Gallons	4.89 Per 1,000 Gallons
Next 100,000 Gallons	4.49 Per 1,000 Gallons
Next 100,000 Gallons	4.09 Per 1,000 Gallons
Over 300,000 Gallons	3.69 Per 1,000 Gallons

##### 1" Meters

First 10,000 Gallons	\$61.40 Minimum Bill
Next 15,000 Gallons	5.59 Per 1,000 Gallons
Next 25,000 Gallons	5.29 Per 1,000 Gallons
Next 50,000 Gallons	4.89 Per 1,000 Gallons
Next 100,000 Gallons	4.49 Per 1,000 Gallons
Next 100,000 Gallons	4.09 Per 1,000 Gallons
Over 300,000 Gallons	3.69 Per 1,000 Gallons

1 1/2" Meters

First 25,000 Gallons	\$145.25 Minimum Bill
Next 25,000 Gallons	5.29 Per 1,000 Gallons
Next 50,000 Gallons	4.89 Per 1,000 Gallons
Next 100,000 Gallons	4.49 Per 1,000 Gallons
Next 100,000 Gallons	4.09 Per 1,000 Gallons
Over 300,000 Gallons	3.69 Per 1,000 Gallons

2" Meters

First 50,000 Gallons	\$277.50 Minimum Bill
Next 50,000 Gallons	4.89 Per 1,000 Gallons
Next 100,000 Gallons	4.49 Per 1,000 Gallons
Next 100,000 Gallons	4.09 Per 1,000 Gallons
Over 300,000 Gallons	3.69 Per 1,000 Gallons

2 1/2" Meters

First 75,000 Gallons	\$399.74 Minimum Bill
Next 25,000 Gallons	4.89 Per 1,000 Gallons
Next 100,000 Gallons	4.49 Per 1,000 Gallons
Next 100,000 Gallons	4.09 Per 1,000 Gallons
Over 300,000 Gallons	3.69 Per 1,000 Gallons

3" Meters

First 100,000 Gallons	\$521.99 Minimum Bill
Next 100,000 Gallons	4.49 Per 1,000 Gallons
Next 100,000 Gallons	4.09 Per 1,000 Gallons
Over 300,000 Gallons	3.69 Per 1,000 Gallons

4" Meters

First 200,000 Gallons	\$970.98 Minimum Bill
Next 100,000 Gallons	4.09 Per 1,000 Gallons
Over 300,000 Gallons	3.69 Per 1,000 Gallons

6" Meters

First 300,000 Gallons	\$1,379.97 Minimum Bill
Over 300,000 Gallons	3.69 Per 1,000 Gallons

\*Gary Sheffer  
Manager  
Union County Water District  
409 North Court Street  
P. O. Box 146  
Morganfield, KY 42437

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409 North Court Street  
P. O. Box 146  
Morganfield, KY 42437