

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING)	CASE NO.
OF WARREN DISTRICT ASSOCIATION, INC.)	2021-00242

ORDER

On June 28, 2021, Warren County Water District (Warren District) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission notes that in Warren District's 2019 Annual Report a water loss of 12.7224 percent was reported.² Warren District's application provides updated purchase and sales information for a more current period than the 2019 Annual Report. Based upon the updated information in the application and the percentage of other water consumed by the utility in its 2019 Annual Report.³ Warren District's unaccounted-for water loss is determined to be 14.3877 percent for the updated period.⁴ The cost of

¹ KRS 278.015; 807 KAR 5:068.

² *Annual Report of Warren County Water District to the Public Service Commission for the Year Ended December 31, 2019* at 58.

³ *Id.* at 57, line 22, divided by line 4 (21,885 divided by 3,225,673) equals 0.6785%.

⁴ Total Purchases (application PWA Exhibit C)	3,227,366,700
Less Total Sales (application PWA Exhibit C)	2,741,125,359
Less plant use (% determined from 2019 Annual Report)	<u>21,897,683</u>
Water loss - gallons	464,343,658
Water loss - percent	14.3877%

Warren District's water loss is \$938,246.81⁵ or approximately \$0.34 per 1,000 gallons sold for expenses associated with unaccounted-for water loss.⁶

Having reviewed the record and being otherwise sufficiently advised, the Commission finds that:

1. Warren District purchases water from the Bowling Green Municipal Utilities (Bowling Green).

2. Bowling Green notified Warren District that its wholesale rates would increase as follows: (1) from \$1.7585 per 1,000 gallons to \$1.9900 per 1,000 gallons at the Cemetery Road metering point, (2) from \$1.8547 per 1,000 gallons to \$2.0510 per 1,000 gallons at the Morgantown Road metering point, and (3) from \$1.8481 per 1,000 gallons to \$2.0764 per 1,000 gallons at the Northside metering point, effective July 1, 2021. Warren District proposes to increase the water rates to its customers effective July 1, 2021, to reflect the increased cost of purchased water from Bowling Green.

3. Warren District proposed a purchased water adjustment factor of \$0.27 per 1,000.

4. During the 12 months ended March 31, 2021, Warren District purchased 26,000 gallons of water from the Southside metering point, 2,011,861,700 gallons of water from the Cemetery Road metering point, 248,528,700 gallons of water from the Morgantown Road metering point, and 966,950,300 gallons of water from the Northside metering point. During the same period, Warren District sold 2,741,125,359 gallons of

⁵ Total water cost at new wholesale rate times water loss percentage = \$6,521,172.99 X 14.3877 = \$938,246.81.

⁶ Total cost of water loss divided by sales (\$938,246.81/(2,741,125,359/1,000)) equals \$0.34/1,000.

water. The increase in the cost of purchased water is \$735,286.92, resulting in a purchased water adjustment factor of \$0.27 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.27 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just and reasonable and should be approved.

6. Warren District's proposed rates should be approved.

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 Warren District on and after July 1, 2021.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.27 per 1,000 gallons is approved.

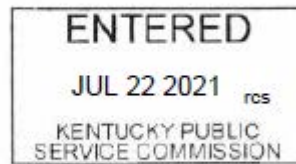
2. The rates proposed by Warren District are approved.

3. The rates as set forth in Appendix B to this Order are approved for water service rendered by Warren District on and after July 1, 2021.

4. Within 20 days of the date of entry of this Order, Warren 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 removed from the Commission's docket.

By the Commission



ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00242 DATED JUL 22 2021

	New Rate	Base Rate	Increase
Bowling Green Southside Metering Point			
Purchases in Gallons	26,000	26,000	
Wholesale rate	<u>No Change</u>	<u>\$2.3168/1,000</u>	
	\$60.24	\$60.24	
Bowling Green Cemetery Road Metering Point			
Purchases in Gallons	2,011,861,700	2,011,861,700	
Wholesale rate	<u>\$1.9900/1,000</u>	<u>\$1.7585/1,000</u>	
	\$4,003,604.78	\$3,537,858.80	\$465,745.98
Bowling Green Morgantown Road Metering Point			
Purchases in Gallons	248,528,700	248,528,700	
Wholesale rate	<u>\$2.0510/1,000</u>	<u>\$1.8547/1,000</u>	
	\$509,732.36	\$460,946.18	\$48,786.18
Bowling Green Northside Metering Point			
Purchases in Gallons	966,950,300	966,950,300	
Wholesale rate	<u>\$2.0764/1,000</u>	<u>\$1.8481/1,000</u>	
	\$2,007,775.60	\$1,787,020.85	\$220,754.75
Total Cost of Water	\$6,521,172.99	\$5,785,886.07	
Increased water cost		\$ 735,286.92	
Divided by Gallons sold/1,000		<u>2,741,125,359</u>	
Purchased water adjustment factor		\$ 0.2682 per 1,000 Gallons	
		or \$ 0.27 per 1,000 Gallons	

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00242 DATED JUL 22 2021

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

First	2,000 Gallons	\$13.42 Minimum Bill
Next	8,000 Gallons	0.00454 per gallon
Next	90,000 Gallons	0.00387 per gallon
Next	900,000 Gallons	0.00342 per gallon
Over	1,000,000 Gallons	0.00308 per gallon

3/4-Inch Meter

First	3,000 Gallons	\$17.96 Minimum Bill
Next	7,000 Gallons	0.00454 per gallon
Next	90,000 Gallons	0.00387 per gallon
Next	900,000 Gallons	0.00342 per gallon
Over	1,000,000 Gallons	0.00308 per gallon

1-Inch Meter

First	5,000 Gallons	\$27.47 Minimum Bill
Next	5,000 Gallons	0.00454 per gallon
Next	90,000 Gallons	0.00387 per gallon
Next	900,000 Gallons	0.00342 per gallon
Over	1,000,000 Gallons	0.00308 per gallon

1 1/2-Inch Meter

First	10,000 Gallons	\$52.77 Minimum Bill
Next	90,000 Gallons	0.00387 per gallon
Next	900,000 Gallons	0.00342 per gallon
Over	1,000,000 Gallons	0.00308 per gallon

2-Inch Meter

First	15,000 Gallons	\$72.76 Minimum Bill
Next	85,000 Gallons	0.00387 per gallon
Next	900,000 Gallons	0.00342 per gallon
Over	1,000,000 Gallons	0.00308 per gallon

3-Inch Meter

First	20,000 Gallons	\$103.75 Minimum Bill
Next	80,000 Gallons	0.00387 per gallon
Next	900,000 Gallons	0.00342 per gallon
Over	1,000,000 Gallons	0.00308 per gallon

4-Inch Meter

First	30,000 Gallons	\$169.18 Minimum Bill
Next	70,000 Gallons	0.00387 per gallon
Next	900,000 Gallons	0.00342 per gallon
Over	1,000,000 Gallons	0.00308 per gallon

6-Inch Meter

First	50,000 Gallons	\$261.23 Minimum Bill
Next	50,000 Gallons	0.00387 per gallon
Next	900,000 Gallons	0.00342 per gallon
Over	1,000,000 Gallons	0.00308 per gallon

8-Inch Meter

First	80,000 Gallons	\$389.39 Minimum Bill
Next	20,000 Gallons	0.00387 per gallon
Next	900,000 Gallons	0.00342 per gallon
Over	1,000,000 Gallons	0.00308 per gallon

10-Inch Meter

First	120,000 Gallons	\$556.98 Minimum Bill
Next	880,000 Gallons	0.00342 per gallon
Over	1,000,000 Gallons	0.00308 per gallon

Wholesale Rate to Bowling Green at Cemetery Road Metering Point	\$0.0023947 per gallon
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