

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF)	CASE NO.
MONTGOMERY COUNTY WATER DISTRICT #1)	2019-00213

ORDER

On June 17, 2019, Montgomery County Water District #1 (Montgomery District #1) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹ The application was rejected for failing to provide a schedule listing current and proposed rates as required by 807 KAR 5:068, Section 1(b). Montgomery District #1 was given an opportunity to correct the deficiency on or before July 1, 2019. Montgomery District #1 corrected the deficiency on June 26, 2019, and its application was accepted as filed on that date.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Montgomery District #1 purchases water from the Mount Sterling Water & Sewer System (Mount Sterling Water).
2. Mount Sterling Water notified Montgomery District #1 that its wholesale volumetric water rate to Montgomery District #1 will increase from \$3.11 per 1,000 gallons to \$3.17 per 1,000 gallons effective July 1, 2019.² Montgomery District #1 proposes to

¹ KRS 278.015; 807 KAR 5:068.

² TFS2019-00301 (Ky. PSC filed May 24, 2019); the tariff was accepted for filing by the Commission by letter dated June 18, 2019.

increase the water rates to its customers effective July 1, 2019, to reflect the increased cost of purchased water from Mount Sterling Water.

3. Montgomery District #1 proposed a purchased water adjustment factor of \$0.07 per 1,000 gallons in its application.

4. During the 12 months ended April 30, 2019, Montgomery District #1 purchased 39,321,291 gallons of water from Mount Sterling Water. During the same period, Montgomery District #1 sold 33,612,430 gallons of water. The increase in the cost of purchased water is \$2,359.28, 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. Montgomery District #1'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 Montgomery District #1 on and after July 1, 2019.

IT IS THEREFORE ORDERED that:

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

2. The rates proposed by Montgomery District #1 are approved.

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

4. Within 20 days of the date of entry of this Order, Montgomery District #1 shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

5. Within 30 days of the date of entry of this Order, Montgomery District #1 shall file with the Commission Proof of Notice pursuant to 807 KAR 5:068, Section 5(3).

6. Any document filed pursuant to ordering paragraph 5 of this Order shall reference the number of this case and shall be retained in the post case correspondence file.

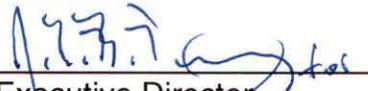
7. This case is closed and removed from the Commission's docket.

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By the Commission

ENTERED
JUL 23 2019
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director
Gretchen Rinson

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2019-00213 DATED **JUL 23 2019**

	New Rate	Base Rate
Mount Sterling Water Purchases in Gallons	39,321,291	39,321,291
Rate per 1,000 Gallons	<u>\$ 3.17/1000</u>	<u>\$ 3.11/1000</u>
Total	\$124,648.49	\$ 122,289.21

Increased water cost	\$ 2,359.28
Increased water cost	\$ 2,359.28
Divided by Gallons sold/1000	<u>33,612,430</u>
Purchased water adjustment factor	\$ 0.0702 per 1000 Gallons

or \$ 0.07 per 1000 Gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2019-00213 DATED **JUL 23 2019**

The following rates and charges are prescribed for the customers in the area served by Montgomery County Water District #1. 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

First	2,000 Gallons	\$23.63 Minimum Bill
Next	3,000 Gallons	7.67 per 1,000 Gallons
Next	5,000 Gallons	6.95 per 1,000 Gallons
Over	10,000 Gallons	6.23 per 1,000 Gallons
<u>Wholesale Customers</u>		3.48 per 1,000 Gallons

*Montgomery County Water District #1
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