

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
MONTGOMERY COUNTY WATER DISTRICT) CASE NO. 94-009
NO. 1)

O R D E R

On February 8, 1994, Montgomery County Water District No. 1 ("Montgomery County") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure, KRS 278.012 and 807 KAR 5:067.

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

1. Montgomery County purchases water from Mt. Sterling Water and Sewer System ("Mt. Sterling").

2. Mt. Sterling increased its rate for water sold by 5 percent from an average cost of \$1.35 per 1,000 gallons to an average cost of \$1.41 per 1,000 gallons effective October 1, 1993. Montgomery County proposes to increase the water rates to its customers effective March 1, 1994.

3. During the 12 months ending December 31, 1993, Montgomery County purchased 55,084,291 gallons of water and sold 50,098,140 gallons. The increase in the cost of purchased water is approximately \$3,305, resulting in a purchased water adjustment of 7 cents per 1,000 gallons of water as shown in Appendix B. Based

on an average monthly usage of 5,000 gallons, the average bill of Montgomery County's customers would increase \$0.35 from \$20.45 to \$20.80 or 1.7 percent.

4. Montgomery County has miscalculated the purchased water adjustment factor due to mathematical error in calculating the average wholesale cost per 1,000 gallons.

5. The purchased water adjustment of 7 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Montgomery County are hereby denied.

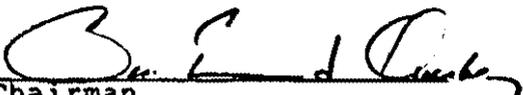
2. The purchased water adjustment of 7 cents per 1,000 gallons and the rates in Appendix A are hereby approved for services rendered on and after March 1, 1994.

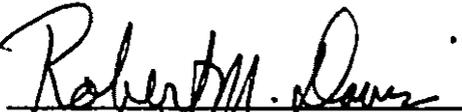
3. Within 30 days of the date of this Order, Montgomery County shall file revised tariff sheets setting out the rates approved herein.

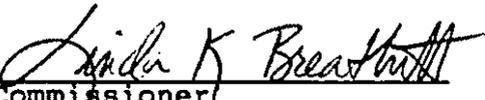
4. Within 30 days of the date of this Order, Montgomery County shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 3rd day of March, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 94-009 DATED March 3, 1994

The following rates and charges are prescribed for the customers in the area served by Montgomery County Water District No. 1. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Monthly Rates:

Domestic and Commercial Rate

First	2,000 gallons	\$13.54 Minimum Bill
Next	3,000 gallons	2.42 per 1,000 gallons
Next	5,000 gallons	2.27 per 1,000 gallons
All Over	10,000 gallons	1.72 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 94-009 DATED March 3, 1994.

PURCHASED WATER ADJUSTMENT CALCULATIONS

Water Purchased: 55,084,291 gallons
Water Sold: 50,098,140 gallons

Cost at Changed Rate:

$55,084,291 \times \$1.41$ average per 1,000 gallons = \$77,669

LESS

Cost at Base Rate:

$55,084,291 \times \$1.35$ average per 1,000 gallons = \$74,364

Increase in Cost: \$3,305

$\$3,305 + 50,098,140$ gallons sold = \$0.0657 or
\$0.07/1,000 gallons