

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
OF MUHLENBERG COUNTY WATER) CASE NO. 2008-00342
DISTRICT)

ORDER

On August 5, 2008, Muhlenberg County Water District ("Muhlenberg") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

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

1. Muhlenberg purchases water from the city of Central City ("Central City").
2. Central City notified Muhlenberg that, effective September 1, 2008, the wholesale rate would increase from \$1.2558 per 1,000 gallons to \$1.57 per 1,000 gallons.
3. Muhlenberg proposes a purchased water adjustment factor of \$0.40 per 1,000 gallons.
4. During the 12-month period ending June 30, 2008, Muhlenberg purchased 515,854,500 gallons of water. It sold 409,359,500 gallons of water during the same period.

¹ KRS 278.015 and 807 KAR 5:068.

5. The increase in the cost of purchased water is \$162,081.48, resulting in a purchased water adjustment factor of \$0.40 per 1,000 gallons.

6. Muhlenberg proposed to increase the rates to its customers effective September 1, 2008.

7. On August 21, 2008, Central City, pursuant to KRS 278.180 and 807 KAR 5:011, notified the Commission of its intent to increase its wholesale water rate on September 20, 2008. The Commission having taken no action to suspend the proposed adjustment, the proposed wholesale rate became effective September 20, 2008

8. KRS 278.015 permits a water district to increase its rates commensurate with an increase from its wholesale supplier, but not prior to the effective date of the wholesale supplier's increase.

9. The purchased water adjustment factor of \$0.40 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Muhlenberg are approved.

2. The September 1, 2008 effective date proposed by Muhlenberg is denied.

3. The purchased water adjustment factor of \$0.40 per 1,000 gallons as calculated in Appendix A, which is attached hereto and incorporated herein, is approved.

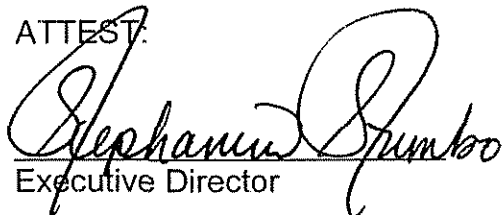
4. The rates in Appendix B, which is attached hereto and incorporated herein, are fair, just, and reasonable and are approved for service provided on or after September 20, 2008.

5. Within 20 days of the date of this Order, Muhlenberg shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 22nd day of September, 2008.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00342 DATED SEPTEMBER 22, 2008

	New Rate	Base Rate
City of Central City		
Purchases in gallons	515,857,500	515,857,500
Volumetric rate	<u>\$1.57/1,000</u>	<u>\$ 1.2558/1,000</u>
	\$809,894.57	\$647,810.08
Increased water cost	\$162,081.48	
Increased water cost		\$162,081.48
Divided by gallons sold		409,359,500
Purchased water adjustment factor		\$0.40 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00342 DATED SEPTEMBER 22, 2008

The following rates and charges are prescribed for the customers in the area served by Muhlenberg 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.

RATES AND CHARGES

5/8"x 3/4" Inch Meter

First	2,000	gallons	\$ 20.07	Minimum bill
Next	8,000	gallons	6.64	per 1,000 gallons
Next	10,000	gallons	6.05	per 1,000 gallons
Next	30,000	gallons	5.47	per 1,000 gallons
Over	50,000	gallons	4.88	per 1,000 gallons

1" Inch Meter

First	5,000	gallons	\$ 39.98	Minimum bill
Next	5,000	gallons	6.64	per 1,000 gallons
Next	10,000	gallons	6.05	per 1,000 gallons
Next	30,000	gallons	5.47	per 1,000 gallons
Over	50,000	gallons	4.88	per 1,000 gallons

1-1/2" Inch Meter

First	11,000	gallons	\$ 79.20	Minimum bill
Next	9,000	gallons	6.05	per 1,000 gallons
Next	30,000	gallons	5.47	per 1,000 gallons
Over	50,000	gallons	4.88	per 1,000 gallons

2" Inch Meter

First	16,000	gallons	\$ 109.43	Minimum bill
Next	4,000	gallons	6.05	per 1,000 gallons
Next	30,000	gallons	5.47	per 1,000 gallons
Over	50,000	gallons	4.88	per 1,000 gallons

3" Inch Meter

First	26,000	gallons	\$ 166.42	Minimum bill
Next	24,000	gallons	5.47	per 1,000 gallons
Over	50,000	gallons	4.88	per 1,000 gallons

4 Inch Meter

First	36,000	gallons	\$ 221.11	Minimum bill
Next	14,000	gallons	5.47	per 1,000 gallons
Over	50,000	gallons	4.88	per 1,000 gallons

Wholesale

All usage			\$3.88	Per 1,000 gallons
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