

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT	)	
FILING OF MONTGOMERY COUNTY	)	CASE NO. 2013-00227
WATER DISTRICT NO. 1	)	

ORDER

On June 17, 2013, Montgomery County Water District No. 1 ("Montgomery County") submitted an application 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. Montgomery County purchases water from the city of Mount Sterling, Kentucky ("Mount Sterling").
2. On July 1, 2013, Mount Sterling increased its volumetric wholesale rate to Montgomery County from \$2.41 per 1,000 gallons to \$2.46 per 1,000 gallons.<sup>2</sup>
3. Montgomery County proposed a purchased water adjustment factor of \$0.06 per 1,000 gallons.
4. During the 12 months ending April 30, 2013, Montgomery County purchased 42,378,989 gallons of water from Mount Sterling and sold 35,574,240 gallons of water during the same 12 months. The increase in the cost of purchased

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

<sup>2</sup> TFS No. 2013-00395 (Ky. PSC filed May 28, 2013); Letter from Dennis Brent Kirtley, Manager, Public Service Commission, to Rick Fletcher, Manager, Mount Sterling Water and Sewer System (July 1, 2013).

water is \$2,118.95, resulting in a purchased water adjustment factor of \$0.06 per 1,000 gallons.

5. On July 1, 2013, Montgomery County adjusted its water rates to its customers to reflect the increased cost of purchased water.

6. The purchased water adjustment of \$0.06 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

7. Montgomery County misapplied the purchased water adjustment factor to its wholesale rate. Montgomery County's proposed wholesale rate should be denied, but all other proposed rates should be approved.

8. The rates set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for service that Montgomery County renders on and after July 1, 2013.

IT IS THEREFORE ORDERED that:

1. Montgomery County's proposed rates, except for the proposed wholesale rate, are approved.

2. Montgomery County's proposed wholesale rate is denied.

3. The purchased water adjustment factor of \$0.06 per 1,000 gallons is approved.

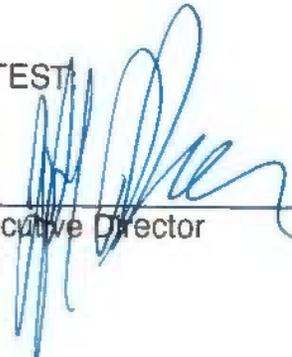
4. The rates in Appendix B are approved for service that Montgomery County renders on or after July 1, 2013.

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

By the Commission

ENTERED  
JUL 16 2013  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST

  
\_\_\_\_\_  
Executive Director

Case No. 2013-00227

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2013-00227 DATED **JUL 16 2013**

	New Rate	Base Rate
Mount Sterling		
Purchases in gallons	42,378,989	42,378,989
Volumetric rate	<u>\$ 2.46/1,000</u>	<u>\$ 2.41/1,000</u>
	\$104,252.31	\$ 102,133.36
	Increased water cost	\$2,118.95
Increased water cost	\$ 2,118.95	
Divided by gallons sold/1,000	<u>35,574,240</u>	
	\$ .0595	
Purchased water adjustment factor	\$0.06 per 1,000 gallons	

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2013-00227 DATED **JUL 16 2013**

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 the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8- X 3/4-Inch Meter

First	2,000 Gallons	\$21.89 Minimum Bill
Next	3,000 Gallons	6.80 per 1,000 gallons
Next	5,000 Gallons	6.08 per 1,000 gallons
Over	10,000 Gallons	5.36 per 1,000 gallons

Wholesale Rate	2.61 per 1,000 gallons
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Sandra Cole  
Montgomery County Water District #1  
4412 Camargo Road  
Mt. Sterling, KY 40353