

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**ELECTRONIC APPLICATION OF MONROE     )  
COUNTY WATER DISTRICT FOR RATE     ) CASE NO. 2017-00070  
ADJUSTMENT PURSUANT TO 807 KAR 5:076   )**

**MOTION TO CORRECT ORDER**

Monroe County Water District (“Monroe District”), by counsel, respectfully moves the Kentucky Public Service Commission (“Commission”) to make certain technical corrections to its Order of January 12, 2018.

In its Order of January 12, 2018, the Commission establishes two schedules of rates for Monroe District. The first schedule, set forth at Appendix A of the Order, establishes rates for water service provided from September 30, 2017 to November 7, 2017. The second schedule, set forth at Appendix B of the Order, establishes rates for water service provided on and after November 8, 2017. This action appears based on two assumptions. First, Monroe District placed its proposed rates into effect on September 30, 2017 and then adjusted those rates on November 8, 2017, pursuant to KRS 278.015, to reflect an increase in the wholesale rates of its water supplier. Second, the Commission’s Order of November 8, 2017 in Case No. 2017-00404<sup>1</sup> approved this adjustment to Monroe District’s proposed rates for service rendered on and after November 8, 2017.<sup>2</sup>

The record shows that these assumptions are incorrect. As shown in Monroe District’s Notice of Intent to Place Proposed Rates into Effect (Exhibit A) and its filed tariff sheets (Exhibit

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<sup>1</sup> *Electronic Purchased Water Adjustment Filing of Monroe County Water District*, Case No. 2017-00404 (Ky. PSC Nov. 8, 2017).

<sup>2</sup> Order of January 12, 2018 at 21.

B), Monroe District placed the proposed rates into effect at 11:59 p.m. CDT on September 30, 2017. As evidenced by the Resolution of its Board of Commissioners adopted September 11, 2017 (Exhibit C),<sup>3</sup> Monroe District placed new rates into effect at 12:01 a.m. CDT on October 1, 2017 that reflected the proposed rates adjusted for the increase in Monroe District's cost of purchased water. KRS 278.015 permitted Monroe District to take this action without prior Commission approval.<sup>4</sup> In its Order of November 8, 2017 in Case No. 2017-00404 (Exhibit D), the Commission approved the application of Monroe District's proposed purchased water adjustment factor to the proposed rates "for water service rendered by Monroe County **on and after October 1, 2017.**"<sup>5</sup>

No need exists to distinguish between the rates charged for water service provided between September 30, 2017 and November 7, 2017 and those charged for water service provided after November 7, 2017. The rates in Appendix B are the rates that the Commission found reasonable and to which it then applied the purchased water adjustment factor approved in Case No. 2017-00404. They reflect the purchased water adjustment that occurred on October 1, 2017. Accordingly, the effective date for the rates in Appendix B should be October 1, 2017.

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<sup>3</sup> The Board of Commissioner's Resolution is attached as an exhibit to Monroe District's application for purchased water adjustment in Case No. 2017-00404.

<sup>4</sup> KRS 278.015 provides in pertinent part:

When a wholesale supplier selling water or providing sewage treatment to a water district; combined water, gas, or sewer district; or water commission increases its rates, the water district or combined water, gas, or sewer district shall have the authority to increase its rates commensurate with the wholesale supplier without prior approval by the commission.

Within twenty (20) days after any such increase in rates, the district shall file its revised tariffs with the commission, together with a copy of the notice from its wholesale supplier showing the increase in the rate charged to the utility, and a statement of the volume of purchased water used or sewage treated to calculate the increase in rates. The commission shall approve the filing or establish revised rates by order no later than thirty (30) days after the above documents are filed with it. Prior to or at the time of the first billing of the new rates, the district shall give notice to its customers of the increase

<sup>5</sup> *Electronic Purchased Water Adjustment Filing of Monroe County Water District*, Case No. 2017-00404 (Ky. PSC Nov. 8, 2017) at 4 (emphasis added).

Given that proposed rates unadjusted for the wholesale supplier's increase were in effect for only two minutes, directing any refunds based upon the rate schedule in Appendix A serves no practical purpose. The amount of water sold in those two minutes is so small as to be impossible to ascertain and to bill at the proposed rate. To the extent that the Commission finds the rates set forth in Appendix B are reasonable, these rates should be applied to service rendered on and after October 1, 2017 and should be the only rates used to calculate any refunds that the Commission deems necessary.

As the Commission in its Order of January 12, 2018 required Monroe District to file revised tariff sheets reflecting the rates set forth in that Order, including an effective date for such rates, Monroe District asks that the Commission make all corrections necessary to remedy the noted errors no later than January 31, 2018.

Nothing contained in this Motion should be construed as acceptance of the lawfulness or reasonableness of the Commission's Order of January 12, 2018 or of the rates established therein or as a waiver of any right under KRS 278.400 or KRS 278.410. Monroe District expressly reserves all rights provided under KRS 278.400 and KRS 278.410.

WHEREFORE, Monroe District respectfully requests that the Commission:

1. Make the necessary corrections to its Order of January 12, 2018 to remedy the noted errors, to include:
  - a. The elimination of any requirement to base refunds upon the rates contained in Appendix A;
  - b. Requiring only refunds of amounts exceeding the rates in Appendix B that were collected between October 1, 2017 and January 12, 2018;
  - c. Revision of the second sentence on page 21 of Order in the Section "Purchased Water Adjustment" to read:

The Commission finds that the purchased water adjustment factor that was determined in that case shall be used to calculate the rates in Appendix B for service rendered on or after October 1, 2017.

2. Issue the Order making the necessary corrections no later than January 31, 2018.

Dated: January 19, 2018

Respectfully submitted,




Gerald E. Wuetcher  
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Mary Ellen Wimberly  
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Stoll Keenon Ogden PLLC  
300 West Vine Street, Suite 2100  
Lexington, Kentucky 40507-1801  
Telephone: (859) 231-3000  
Fax: (859) 259-3517

*Counsel for Monroe County Water District*

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that Monroe County Water District's January 19, 2018 electronic filing of this Motion to Correct Order is a true and accurate copy of the same document being filed in paper medium; that the electronic filing has been transmitted to the Commission on January 19, 2018; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original paper medium of this Motion will be delivered to the Commission on or before January 23, 2018.



Gerald E. Wuetcher



# **EXHIBIT A**

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

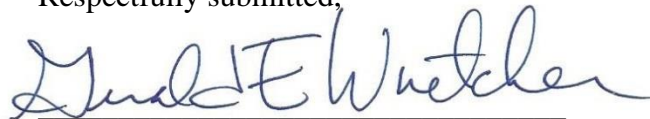
**ELECTRONIC APPLICATION OF MONROE    )**  
**COUNTY WATER DISTRICT FOR RATE    ) CASE NO. 2017-00070**  
**ADJUSTMENT PURSUANT TO 807 KAR 5:076    )**

**NOTICE OF INTENT TO PLACE PROPOSED**  
**RATES INTO EFFECT**

Pursuant to KRS 278.190 and 807 KAR 5:076, Section 7, Monroe County Water District (“Monroe District”) gives notice of its intent to place the proposed rates into effect on September 30, 2017 at 11:59 p.m., Central Daylight Time. Revised tariff sheets reflecting this action are attached to this Notice and have also been filed through the Commission’s Electronic Tariff Filing System. Monroe District will maintain its records in a manner to enable it or the Commission, to determine the amounts to be refunded and to whom a refund is due if the Commission orders a refund.

Dated: September 28, 2017

Respectfully submitted,



Gerald E. Wuetcher  
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300 West Vine Street, Suite 2100  
Lexington, Kentucky 40507-1801  
gerald.wuetcher@skofirm.com  
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Mary Ellen Wimberly  
Stoll Keenon Ogden PLLC  
300 West Vine Street, Suite 2100  
Lexington, Kentucky 40507-1801  
gerald.wuetcher@skofirm.com  
Telephone: (859) 231-3047  
Fax: (859) 246-3647

*Counsel for Monroe County Water District*

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that Monroe County Water District's September 28, 2017 electronic filing of this Notice is a true and accurate copy of the same document being filed in paper medium; that the electronic filing has been transmitted to the Commission on September 28, 2017; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original paper medium of this Application will be delivered to the Commission on or before October 2, 2017.

A handwritten signature in blue ink that reads "Gerald E. Wuetcher". The signature is written in a cursive style with a horizontal line underneath the name.

Gerald E. Wuetcher

AREA Monroe County, Kentucky

PSC KY NO. \_\_\_\_\_

7<sup>th</sup> Revised SHEET NO. 4

Monroe County Water District  
(NAME OF UTILITY)

CANCELLING PSC KY NO. \_\_\_\_\_

6<sup>th</sup> Revised SHEET NO. 4

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RATES AND CHARGES

A. General Rates (T)

5/8-Inch x 3/4-Inch Meter

First 2,000 gallons	\$21.43 <del>18.93</del> Minimum Bill (I)
Next 3,000 gallons	8.82 <del>7.79</del> Per 1,000 Gallons (I)
Next 5,000 gallons	7.46 <del>6.59</del> Per 1,000 Gallons (I)
Over 10,000 gallons	6.44 <del>5.69</del> Per 1,000 Gallons (I)

1-Inch Meter

First 5,000 gallons	\$47.88 <del>42.30</del> Minimum Bill (I)
Next 5,000 gallons	7.46 <del>6.59</del> Per 1,000 Gallons (I)
Over 10,000 gallons	6.44 <del>5.69</del> Per 1,000 Gallons (I)

2-Inch Meter

First 20,000 gallons	\$149.59 <del>132.15</del> Minimum Bill (I)
Over 20,000 gallons	6.44 <del>5.69</del> Per 1,000 Gallons (I)

Wholesale

\$3.40 ~~3.00~~ Per 1,000 Gallons (I)(T)

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DATE OF ISSUE September 27, 2017  
MONTH / DATE / YEAR

DATE EFFECTIVE September 30, 2017 (11:59 p.m. CDT)  
MONTH / DATE / YEAR

ISSUED BY Mark Wellins  
SIGNATURE OF OFFICER

TITLE Chair, Board of Commissioners

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

AREA Monroe County, Kentucky

PSC KY NO. \_\_\_\_\_

7<sup>th</sup> Revised SHEET NO. 4

CANCELLING PSC KY NO. \_\_\_\_\_

6<sup>th</sup> Revised SHEET NO. 4

Monroe County Water District  
(NAME OF UTILITY)

B. Deposits

5/8-Inch x 3/4-Inch Meter	\$80.00 <del>\$60.00</del> (I)
1-Inch Meter	\$370.00 <del>\$100.00</del> (I)
2-Inch Meter	\$1,425.00 <del>\$165.00</del> (I)

DATE OF ISSUE September 27, 2017  
MONTH / DATE / YEAR

DATE EFFECTIVE September 30, 2017 (11:59 p.m. CDT)  
MONTH / DATE / YEAR

ISSUED BY *Mark Willis*  
SIGNATURE OF OFFICER

TITLE Chair, Board of Commissioners

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

AREA Monroe County Kentucky

PSC KY NO. \_\_\_\_\_

7<sup>th</sup> Revised SHEET NO. 4

Monroe County Water District  
(NAME OF UTILITY)

CANCELLING PSC KY NO. \_\_\_\_\_

6<sup>th</sup> Revised SHEET NO. 4

C. Meter Connection /Tap-on Charges

5/8-Inch x 3/4-Inch Meter	\$1,565.00 <del>\$550.00</del> (I)
1-Inch Meter	\$1,860.00 (I)
2-Inch Meter	\$5,180.00 (I)
All Larger Meters	Actual Cost (D)

DATE OF ISSUE September 27, 2017  
MONTH / DATE / YEAR

DATE EFFECTIVE September 30, 2017 (11:59 p.m. CDT)  
MONTH / DATE / YEAR

ISSUED BY Mark Wilbur  
SIGNATURE OF OFFICER

TITLE Chair, Board of Commissioners

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

AREA Monroe County, Kentucky

PSC KY NO. \_\_\_\_\_

7<sup>th</sup> Revised SHEET NO. 4

Monroe County Water District  
(NAME OF UTILITY)

CANCELLING PSC KY NO. \_\_\_\_\_

6<sup>th</sup> Revised SHEET NO. 4

D. Special Non-Recurring Charges

Connection/Turn-On Charge	\$90.00 <del>40.00</del> (I)
Connection/Turn-On Charge (After Hours)	\$120.00 <del>65.00</del> (I)
Field Collection Charge	\$65.00 <del>25.00</del> (I)
Meter Relocation Charge	\$785.00 <del>275.00</del> (I)
Meter Re-Read Charge	\$65.00 <del>25.00</del> (I)
Meter Test Charge	\$115.00 <del>50.00</del> (I)
Reconnection Charge	\$135.00 <del>50.00</del> (I)
Reconnection Charge (After Hours)	\$155.00 <del>75.00</del> (I)
Returned Check Charge	\$40.00 <del>25.00</del> (I)
Service Call Investigation Charge	\$80.00 <del>25.00</del> (I)
Service Call Investigation Charge (After Hours)	\$105.00 <del>50.00</del> (I)
Service Line Inspection	\$95.00 <del>50.00</del> (I)

Note: Regular working hours for the utility's maintenance staff is 7:30 a.m. to 3:00 p.m. Monday through Friday, excluding holidays. Upon customer request, and subject to availability of maintenance staff, services may be performed outside regular working hours at the after-hours rate.

DATE OF ISSUE September 27, 2017  
MONTH / DATE / YEAR

DATE EFFECTIVE September 30, 2017 (11:59 p.m. CDT)  
MONTH / DATE / YEAR

ISSUED BY *Mark J. Della*  
SIGNATURE OF OFFICER

TITLE Chair, Board of Commissioners

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

AREA Monroe County, Kentucky

PSC KY NO. \_\_\_\_\_

7<sup>th</sup> Revised SHEET NO. 4

CANCELLING PSC KY NO. \_\_\_\_\_

6<sup>th</sup> Revised SHEET NO. 4

Monroe County Water District  
(NAME OF UTILITY)

E. Purchased Water Rate

City of Tompkinsville

\$3.00 ~~2.25~~ per 1,000 gallons (T)

F. Leak Adjustment Rate

City of Tompkinsville Rate plus 15%

~~G. Wholesale Water Rate (D)~~

~~Glasgow Water Company (D)  
Fountain Run Water District (D)~~

DATE OF ISSUE September 27, 2017  
MONTH / DATE / YEAR

DATE EFFECTIVE September 30, 2017 (11:59 p.m. CDT)  
MONTH / DATE / YEAR

ISSUED BY Mark Wellis  
SIGNATURE OF OFFICER

TITLE Chair, Board of Commissioners

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_



# **EXHIBIT B**

AREA Monroe County, Kentucky

PSC KY NO. \_\_\_\_\_

7<sup>th</sup> Revised SHEET NO. 4

Monroe County Water District  
(NAME OF UTILITY)

CANCELLING PSC KY NO. \_\_\_\_\_

6<sup>th</sup> Revised SHEET NO. 4

RATES AND CHARGES

A. General Rates (T)

5/8-Inch x 3/4-Inch Meter

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1-Inch Meter

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2-Inch Meter

First 20,000 gallons	\$149.59 <del>132.15</del> Minimum Bill (I)
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Wholesale

\$3.40 ~~3.00~~ Per 1,000 Gallons (I)(T)

DATE OF ISSUE September 27, 2017  
MONTH / DATE / YEAR

DATE EFFECTIVE September 30, 2017 (11:59 p.m. CDT)  
MONTH / DATE / YEAR

ISSUED BY *Mark Wellins*  
SIGNATURE OF OFFICER

TITLE Chair, Board of Commissioners

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>Gwen R. Pinson</b> Executive Director  <i>Gwen R. Pinson</i>
<b>EFFECTIVE 9/30/2017</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

AREA Monroe County, Kentucky

PSC KY NO. \_\_\_\_\_

7<sup>th</sup> Revised SHEET NO. 4

CANCELLING PSC KY NO. \_\_\_\_\_

6<sup>th</sup> Revised SHEET NO. 4

Monroe County Water District  
(NAME OF UTILITY)

B. Deposits

5/8-Inch x 3/4-Inch Meter

\$80.00 ~~\$60.00~~ (I)

1-Inch Meter

\$370.00 ~~\$100.00~~ (I)

2-Inch Meter

\$1,425.00 ~~\$165.00~~ (I)

DATE OF ISSUE September 27, 2017  
MONTH / DATE / YEAR

DATE EFFECTIVE September 30, 2017 (11:59 p.m. CDT)  
MONTH / DATE / YEAR

ISSUED BY *Mark Willis*  
SIGNATURE OF OFFICER

TITLE Chair, Board of Commissioners

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>Gwen R. Pinson</b> Executive Director <i>Gwen R. Pinson</i>
<b>EFFECTIVE 9/30/2017</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

AREA Monroe County, Kentucky

PSC KY NO. \_\_\_\_\_

7<sup>th</sup> Revised SHEET NO. 4

Monroe County Water District  
(NAME OF UTILITY)

CANCELLING PSC KY NO. \_\_\_\_\_

6<sup>th</sup> Revised SHEET NO. 4

C. Meter Connection /Tap-on Charges

5/8-Inch x 3/4-Inch Meter	\$1,565.00 <del>\$550.00</del> (I)
1-Inch Meter	\$1,860.00 (I)
2-Inch Meter	\$5,180.00 (I)
All Larger Meters	Actual Cost (D)

DATE OF ISSUE September 27, 2017  
MONTH / DATE / YEAR

DATE EFFECTIVE September 30, 2017 (11:59 p.m. CDT)  
MONTH / DATE / YEAR

ISSUED BY *Mark Wilhoit*  
SIGNATURE OF OFFICER

TITLE Chair, Board of Commissioners

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

**KENTUCKY**  
**PUBLIC SERVICE COMMISSION**

**Gwen R. Pinson**  
Executive Director

*Gwen R. Pinson*

EFFECTIVE  
**9/30/2017**  
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

AREA Monroe County, Kentucky

PSC KY NO. \_\_\_\_\_

7<sup>th</sup> Revised SHEET NO. 4

Monroe County Water District  
(NAME OF UTILITY)

CANCELLING PSC KY NO. \_\_\_\_\_

6<sup>th</sup> Revised SHEET NO. 4

D. Special Non-Recurring Charges

Connection/Turn-On Charge	\$90.00 <del>40.00</del> (I)
Connection/Turn-On Charge (After Hours)	\$120.00 <del>65.00</del> (I)
Field Collection Charge	\$65.00 <del>25.00</del> (I)
Meter Relocation Charge	\$785.00 <del>275.00</del> (I)
Meter Re-Read Charge	\$65.00 <del>25.00</del> (I)
Meter Test Charge	\$115.00 <del>50.00</del> (I)
Reconnection Charge	\$135.00 <del>50.00</del> (I)
Reconnection Charge (After Hours)	\$155.00 <del>75.00</del> (I)
Returned Check Charge	\$40.00 <del>25.00</del> (I)
Service Call Investigation Charge	\$80.00 <del>25.00</del> (I)
Service Call Investigation Charge (After Hours)	\$105.00 <del>50.00</del> (I)
Service Line Inspection	\$95.00 <del>50.00</del> (I)

Note: Regular working hours for the utility's maintenance staff is 7:30 a.m. to 3:00 p.m. Monday through Friday, excluding holidays. Upon customer request, and subject to availability of maintenance staff, services may be performed outside regular working hours at the after-hours rate.

DATE OF ISSUE September 27, 2017  
MONTH / DATE / YEAR

DATE EFFECTIVE September 30, 2017 (11:59 p.m. CDT)  
MONTH / DATE / YEAR

ISSUED BY *Mark J. Della*  
SIGNATURE OF OFFICER

TITLE Chair, Board of Commissioners

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>Gwen R. Pinson</b> Executive Director  <i>Gwen R. Pinson</i>
<b>EFFECTIVE 9/30/2017</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

AREA Monroe County, Kentucky

PSC KY NO. \_\_\_\_\_

7<sup>th</sup> Revised SHEET NO. 4

CANCELLING PSC KY NO. \_\_\_\_\_

6<sup>th</sup> Revised SHEET NO. 4

Monroe County Water District  
(NAME OF UTILITY)

E. Purchased Water Rate

City of Tompkinsville

\$3.00 ~~2.25~~ per 1,000 gallons (T)

F. Leak Adjustment Rate

City of Tompkinsville Rate plus 15%

~~G. Wholesale Water Rate (D)~~

~~Glasgow Water Company (D)  
Fountain Run Water District (D)~~

DATE OF ISSUE September 27, 2017  
MONTH / DATE / YEAR

DATE EFFECTIVE September 30, 2017 (11:59 p.m. CDT)  
MONTH / DATE / YEAR

ISSUED BY Mark Wellis  
SIGNATURE OF OFFICER

TITLE Chair, Board of Commissioners

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>Gwen R. Pinson</b> Executive Director  <i>Gwen R. Pinson</i>
EFFECTIVE <b>9/30/2017</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

# **EXHIBIT C**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF  
MONROE COUNTY WATER DISTRICT ADJUSTING WATER  
RATES AND CHARGES TO OFFSET THE CITY OF  
TOMPKINSVILLE'S WHOLESALE RATE INCREASE**

**WHEREAS**, the City of Tompkinsville, Kentucky (“Tompkinsville”) is Monroe County Water District’s primary wholesale water supplier;

**WHEREAS**, on August 8, 2017, Tompkinsville filed with the Kentucky Public Service Commission notice of an increase in its wholesale water rate from \$2.25 to \$3.00 per 1,000 gallons effective September 8, 2016;

**WHEREAS**, based upon the water purchases from Tompkinsville during the previous 12 months, the annual increased cost to Monroe County Water District will be approximately **\$212,250.74**;

**WHEREAS**, prudent financial management dictates that Monroe County Water District take immediate action to adjust its retail rates commensurate with Tompkinsville’s wholesale rate increase; and

**WHEREAS**, KRS 278.015 and 807 KAR 5:068 provide the legal mechanism for Monroe County Water District to increase its water rates commensurate with Tompkinsville’s wholesale rate increase via a Purchased Water Adjustment (“PWA”);

**NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF MONROE COUNTY WATER DISTRICT AS FOLLOWS:**

**Section 1.** The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

**Section 2.** The PWA factor is **\$0.99** per 1,000 gallons;

**Section 3.** All tiers of all meter sizes of Monroe County Water District’s tariff that are in effect as of 12:01 a.m. Central Daylight Time, October 1, 2017, shall be increased by **\$0.99** per 1,000 gallons subject to any minor adjustment that may be made by the Kentucky Public Service Commission.

**Section 4.** The Chairman is hereby authorized and directed to execute and file the PWA Application, Tariff Sheet, and all other documents that may be required by the Kentucky Public Service Commission.

**Section 5.** The Chairman, all appropriate Staff, and Monroe County Water District's attorney are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to implement the PWA.

**Section 6.** This Resolution shall take effect as of 12:01 a.m., October 1, 2017.



**ADOPTED BY THE BOARD OF COMMISSIONERS OF MONROE COUNTY  
WATER DISTRICT at a meeting held on September 11, 2017, signed by the Chairman,  
and attested by the Secretary.**

Mark Willis  
**Chairman**

**ATTEST:**

[Signature]  
**Secretary**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF  
MONROE COUNTY WATER DISTRICT TO CORRECT AN ERROR  
IN THE RESOLUTION OF SEPTEMBER 11, 2017 ADJUSTING  
WATER RATES AND CHARGES TO OFFSET THE CITY OF  
TOMPKINSVILLE'S WHOLESALE RATE INCREASE**

**WHEREAS**, on September 11, 2017, the Board of Commissioners of Monroe County Water District adopted a resolution to increase all tiers of all meter sizes of Monroe County Water District's tariff that were in effect as of 12:01 a.m. Central Daylight Time, October 1, 2017, by **\$0.99 per 1,000 gallons** to reflect an increase in the wholesale rate of the City of Tompkinsville, Kentucky ("Tompkinsville");

**WHEREAS**, the increase was based upon the erroneous assumptions that the annual increased cost to Monroe County Water District from the increase in Tompkinsville's wholesale rate would be approximately **\$212,250.74** and that this increased cost would be spread over total annual sales of **215,310,250 gallons**;

**WHEREAS**, based upon the water purchases from Tompkinsville during the 12-month period ending July 31, 2017, the annual increased cost to Monroe County Water District will be approximately **\$213,841.49**;

**WHEREAS**, during the 12-month period ending July 31, 2017, Monroe County Water District sold approximately **227,609,403 gallons of water**;

**WHEREAS**, the use of these corrected assumptions results in a Purchased Water Adjustment ("PWA") factor of **\$0.94 per 1,000 gallons**; and

**WHEREAS**, the Resolution of September 11, 2017 should be amended, *nunc pro tunc*, to correct these errors and to ensure that the Monroe County Water District's customers are assessed rates that accurately reflect the increased cost of purchased water from Tompkinsville;

**NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF MONROE COUNTY WATER DISTRICT AS FOLLOWS:**

**Section 1.** The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

**Section 2.** Sections 2 and 3 of the Resolution of September 11, 2017 are amended, *nunc pro tunc*, to read as follows:


Section 2. The PWA factor is **\$0.94 per 1,000 gallons**.

Section 3. All tiers of all meter sizes of Monroe County Water District's tariff that are in effect as of 12:01 a.m. Central Daylight Time, October 1, 2017, shall be increased by **\$0.94 per 1,000 gallons** subject to any minor adjustment that may be made by the Kentucky Public Service Commission.


**Section 3.** All provisions of the Resolution of September 11, 2017 that are not in conflict with this resolution shall remain in effect.

**Section 4.** This Resolution shall be retroactive to September 11, 2017.

**ADOPTED BY THE BOARD OF COMMISSIONERS OF MONROE COUNTY WATER DISTRICT at a meeting held on October 13, 2017 signed by the Chairman, and attested by the Secretary.**

  
Chairman

**ATTEST:**

  
Secretary

# **EXHIBIT D**

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED WATER ADJUSTMENT )      CASE NO.  
FILING OF MONROE COUNTY WATER DISTRICT    )      2017-00404

ORDER

On October 13, 2017, Monroe County Water District (“Monroe County”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.<sup>1</sup>

The Commission notes that in its 2015 Annual Report Monroe County reported a water loss of 18.6367 percent.<sup>2</sup> Monroe County’s application provides updated purchases and sales information for a more current period than the 2015 Annual Report. Commission regulation 807 KAR 5:066(6)(3) states that for ratemaking purposes a utility’s unaccounted-for water loss shall not exceed 15 percent of total water produced and purchased, excluding water consumed by a utility in its own operations. Based upon the updated information in the application and the percentage of other water consumed by

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

<sup>2</sup> 2015 Annual Report at 61.

the utility in its 2015 Annual Report,<sup>3</sup> Monroe County's unaccounted-for water loss is determined to be 15.9389 percent for the updated period.<sup>4</sup>

Reduction of Monroe County's unaccounted-for water loss to 15 percent would result in an approximate \$8,031<sup>5</sup> decrease to purchased water expense. Potentially, Monroe County is paying \$0.04 per 1,000 gallons sold, for expenses associated with unaccounted-for water loss in excess of the allowable 15 percent<sup>6</sup> threshold.

The Commission is placing greater emphasis on monitoring utilities that consistently exceed the 15 percent unaccounted-for water loss threshold and strongly encourages Monroe County to pursue reasonable actions to reduce its unaccounted-for water loss. Failure by Monroe County to make significant process towards reducing unaccounted-for water loss may cause the Commission to pursue additional action with the utility.

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

1. Monroe County purchases water from the city of Tompkinsville ("Tompkinsville"). Tompkinsville's dramatic wholesale rate increases to Monroe County over the past few years appear to be due in part to the city's excessive line loss of 71

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<sup>3</sup> 2015 Annual Report, line 21, divided by line 4, (11,531 divided by 272,452) equals 0.0423 percent.

<sup>4</sup> Total Purchases (application PWA Form 1 at 2)	285,122,100
Less Total Sales (application PWA Form 1 at 2)	227,609,430
Less plant use (% determined from 2015 AR)	<u>12,067,237</u>
Water loss - gallons	45,445,433
Water loss - percent	15.9389

<sup>5</sup> Water loss above 15 percent = 0.9389. Potential purchased water expense reduction (water cost at new wholesale rate times water loss above 15 percent) = \$ 8,031.

<sup>6</sup> Potential purchased water expense reduction divided by sales (\$8,031/(227,609,430/1,000)) equals \$0.04/1,000.

percent, as reported in the 2012 - 2013 fiscal year audit.<sup>7</sup> Tompkinsville has increased its wholesale rate to Monroe County from \$1.88 per 1,000 gallons in 2014 to \$3.00 per 1,000 gallons in 2017, an increase of approximately 60 percent. The Commission anticipates Monroe County's customers will gain some relief once the construction of its treatment plant is complete and operational in March 2018 the district will not have to rely solely on Tompkinsville as its water source.

2. Tompkinsville notified Monroe County that its wholesale rate would increase from \$2.25 per 1,000 gallons to \$3.00 per 1,000 gallons effective September 1, 2017.<sup>8</sup> Monroe County proposes to increase the water rates to its customers effective October 1, 2017, to reflect the increased cost of purchased water from Tompkinsville.

3. Monroe County proposed a purchased water adjustment factor of \$0.94 per 1,000 gallons.

4. During the 12 months ended July 31, 2017, Monroe County purchased 285,122,100 gallons of water from Tompkinsville. During the same period, Monroe County sold 227,609,430 gallons of water. The increase in the cost of purchased water is \$213,841.57, resulting in a purchased water adjustment factor of \$0.94 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.94 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

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<sup>7</sup> Gina Kinslow, *Tompkinsville talks about raising water rates*, Glasgow Daily Times, Nov. 22, 2013.

<sup>8</sup> TFS 2017-00431 (Ky. PSC filed Aug. 8, 2017). The tariff was accepted for filing by the Commission by letter dated Sept. 8, 2017.

6. Monroe County's proposed rates, as set forth in Appendix B to this Order, are fair, just and reasonable and should be approved for water service rendered by Monroe County on and after October 1, 2017.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.94 per 1,000 gallons is approved.
2. The rates as set forth in Appendix B to this Order are approved for water service rendered by Monroe County on and after October 1, 2017.
3. Within 20 days of the date of this Order, Monroe 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



ATTEST:

  
Executive Director



APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2017-00404 DATED **NOV 08 2017**

	New Rate	Base Rate
Monroe County Tompkinsville Purchases in Gallons	285,122,100	285,122,100
	<u>\$ 3.00/1,000</u>	<u>\$ 2.25/1,000</u>
Total	\$855,366.30	\$641,524.73
Increased water cost		\$ 213,841.57
Increased water cost		\$ 213,841.57
Divided by Gallons sold/1,000		<u>227,609,430</u>
Purchased water adjustment factor		\$ 0.939 per 1,000 Gallons
		or \$ 0.94 per 1,000 Gallons

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2017-00404 DATED **NOV 08 2017**

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

#### Monthly Water Rates

##### 5/8-Inch x 3/4 Meter

First	2,000 Gallons	\$23.31 Minimum Bill
Next	3,000 Gallons	9.76 per 1,000 Gallons
Next	5,000 Gallons	8.40 per 1,000 Gallons
Over	10,000 Gallons	7.38 per 1,000 Gallons

##### 1-Inch Meter

First	5,000 Gallons	\$52.58 Minimum Bill
Next	5,000 Gallons	8.40 per 1,000 Gallons
Over	10,000 Gallons	7.38 per 1,000 Gallons

##### 2-Inch Meter

First	20,000 Gallons	\$168.39 Minimum Bill
Over	20,000 Gallons	7.38 per 1,000 Gallons

##### Wholesale Rate

\$4.34 per 1,000 Gallons

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