

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT            )  
FILING OF MADISON COUNTY                ) CASE NO. 2012-00252  
UTILITES DISTRICT                            )

ORDER

On June 15, 2012, Madison County Utilities District (“Madison County”) submitted an application to adjust its rates pursuant to the purchased water adjustment procedure.<sup>1</sup> On June 28, 2012, after being advised of deficiencies in its application, Madison County submitted additional information to perfect its application.

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

1. Madison County purchases water from Richmond Water, Gas and Sewerage Works (“Richmond”).
2. On July 1, 2012, Richmond increased its volumetric wholesale rate to Madison County from \$2.17 per 100 cubic feet to \$2.24 per 100 cubic feet.
3. Madison County proposed a purchased water adjustment factor of \$0.08 per 100 cubic feet.
4. During the 12 months ending April 30, 2012, Madison County purchased 90,048,215 cubic feet of water from Richmond. Madison County sold 83,191,449 cubic

---

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

feet of water during the same 12 months. The increase in the cost of purchased water is \$63,033.75, resulting in a purchased water adjustment factor of \$0.08 per 100 cubic feet.

5. Madison County proposes to increase the water rates to its customers effective July 1, 2012.

6. The purchased water adjustment factor of \$0.08 per 100 cubic feet is fair, just, and reasonable and should be approved.

7. Madison County misapplied the purchased water adjustment factor to the first step of Madison County's current rates.

8. Madison County failed to apply the purchased water adjustment factor to its Leak Adjustment Rate.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Madison County are denied.

2. The purchased water adjustment factor of \$0.08 per 100 cubic feet, as calculated in Appendix A, is approved.

3. The rates in Appendix B are fair, just, and reasonable and are approved for service rendered on or after July 1, 2012.

4. Within 20 days of the date of this Order, Madison County shall file its revised tariff sheet with the Commission showing the rates approved herein.

By the Commission

ENTERED *z*  
JUL 23 2012  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

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

Case No. 2012-00252

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
 COMMISSION IN CASE NO. 2012-00252 DATED JUL 23 2012

	New Rate	Base Rate
Richmond		
Purchases in cubic feet	90,048,215	90,048,215
Volumetric rate	<u>\$ 2.24 /100</u>	<u>\$ 2.17/100</u>
	\$2,017,080.02	\$1,954,046.27
	Increased water cost	\$63,033.75
Increased water cost		\$ 63,033.75
Divided by cubic feet sold /100		<u>83,191,449</u>
Purchased water adjustment factor		\$ 0.08 per 100 cubic feet

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2012-00252 DATED JUL 23 2012

The following rates and charges are prescribed for the customers in the area served by Madison County Utilities 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

First	280	Cubic Feet	\$ 15.47	Minimum bill
Next	720	Cubic Feet	4.86	per 100 Cubic Feet
Next	3,000	Cubic Feet	4.64	per 100 Cubic Feet
Next	8,000	Cubic Feet	4.45	per 100 Cubic Feet
Next	88,000	Cubic Feet	4.26	per 100 Cubic Feet
All Over	100,000	Cubic Feet	3.95	per 100 Cubic Feet
Leak Adjustment Rate			\$2.16	per 100 Cubic Feet

John Clark  
Manager  
Madison County Utility District  
297 Michelle Drive  
P. O. Box 670  
Richmond, KY 40476-0670