

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED WATER)	CASE NO.
ADJUSTMENT FILING OF BATH COUNTY)	2021-00186
WATER DISTRICT)	

ORDER

On April 29, 2021, Bath County Water District (Bath District) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹ By electronic mail dated May 10, 2021, the Commission notified Bath District that its application was rejected because of certain filing deficiencies. On May 11, 2021, Bath District submitted further documentation to correct the filing deficiency, and the application was accepted for filing as of that date.

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

1. Bath District purchases water from the Morehead Utility Plant Board (Morehead) and Mount Sterling Water (Mt. Sterling).

2. Morehead notified Bath District on April 12, 2021, that its wholesale water rate to Bath District would increase from \$1.470 per 1,000 gallons to \$1.595 per 1,000 gallons and the Capital Costs would increase from \$18,079.18 per month to \$19,044.48 per month effective January 1, 2021.² Mt. Sterling notified Bath District by letter on

¹ KRS 278.015; 807 KAR 5:068.

² Case No. 2007-00299, *Purchased Water Adjustment Filing of Bath County Water District*. (Ky. PSC Sept. 26, 2007).

May 24, 2019, that its wholesale rate to Bath District would increase from \$3.11 per 1,000 gallons to \$3.17 per 1,000 gallons effective July 1, 2019.³ Bath District proposes to increase the water rates to its customers effective April 15, 2021, to reflect the increased cost of purchased water.

3. Bath District proposed a purchased water adjustment factor of \$0.16 per 1,000 gallons in its application.

4. During the 12 months ended March 31, 2021, Bath District purchased 409,580,000 gallons of water from Morehead and purchased 20,901,000 gallons of water from Mt. Sterling. During the same period, Bath District sold 404,453,000 gallons of water. The increase in the cost of purchased water is \$64,035.16, resulting in a purchased water adjustment factor of \$0.16 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.16 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just and reasonable and should be approved.

6. Bath District's proposed rates should be approved.

7. The rates, as set forth in Appendix B to this Order, are fair, just and reasonable and should be approved for water service rendered by Bath District on and after April 15, 2021.

While the Commission finds that Bath District has supported its application for a purchase water adjustment, the Commission observes that Bath District's application for a purchase water adjustment raises questions regarding Morehead's compliance with the

³ TFS 2019-00303 (Ky. PSC filed May 24, 2019); Commission accepted the tariff for filing by letter dated June 18, 2019.

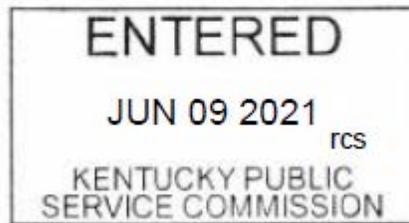
2000 Interlocal Agreement, which serves as Morehead's tariff for service provided to Bath District.⁴

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.16 per 1,000 gallons is approved.
2. The rates proposed by Bath District are approved.
3. The rates as set forth in Appendix B to this Order are approved for water service rendered by Bath District on and after April 15, 2021.
4. Within 20 days of the date of entry of this Order, Bath District shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.
5. Bath District shall make a post-case filing confirming Morehead's reimbursement or credit of any purchased water costs imposed prior to the April 12, 2021 notice.
6. This case is closed and removed from the Commission's docket.

⁴ See Case No. 2007-00299, *Purchased Water Adjustment of Bath County Water District* (Ky. PSC Sept. 26, 2007) Order.

By the Commission



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00186 DATED JUN 09 2021

	Base Rate	New Rate	Increase
<u>Morehead Utility Plant Board</u>			
Purchases in Gallons	409,580,000	409,580,000	
Rate per 1,000 Gallons	<u>\$ 1.470/1,000</u>	<u>\$ 1.595/1,000</u>	
	\$602,082.60	\$653,280.10	\$51,197.50
Capital Costs	\$18,079.18	\$19,044.48	
	<u>12 months</u>	<u>12 months</u>	
	\$216,950.16	\$228,533.76	\$11,583.60
<u>Mt. Sterling Water</u>			
Purchases in Gallons	20,901,000	20,901,000	
	<u>\$ 3.11/1,000</u>	<u>\$ 3.17/1,000</u>	
	\$65,002.11	\$66,256.17	\$1,254.06
Total	\$884,034.87	\$948,070.03	
Increased water cost			\$ 64,035.16
Increased water cost		\$ 64,035.16	
Divided by Gallons sold/1000		<u>404,453,000</u>	
Purchased water adjustment factor		\$ 0.1583 per 1,000 Gallons	

or \$ 0.16 per 1,000 Gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00186 DATED JUN 09 2021

The following rates and charges are prescribed for the customers in the area served by Bath County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the 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	\$16.78 Minimum Bill
Next	3,000 Gallons	.00654 per gallon
Next	5,000 Gallons	.00511 per gallon
Next	10,000 Gallons	.00445 per gallon
Next	30,000 Gallons	.00423 per gallon
Over	50,000 Gallons	.00411 per gallon

1-Inch Meter

First	10,000 Gallons	\$61.95 Minimum Bill
Next	10,000 Gallons	.00445 per gallon
Next	30,000 Gallons	.00423 per gallon
Over	50,000 Gallons	.00411 per gallon

2-Inch Meter

First	50,000 Gallons	\$233.35 Minimum Bill
Over	50,000 Gallons	.00411 per gallon

Bulk Sales .00890 per gallon

Leak Adjustment Rate .00334 per gallon

Wholesale Rates

Sharpsburg Water District	.00382 per gallon
City of Frenchburg	.00337 per gallon
City of Owingsville	.00296 per gallon

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