

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the Matter of:

THE APPLICATION OF THE MCKINNEY )  
WATER ASSOCIATION FOR A PURCHASED ) CASE NO. 7311-1  
WATER ADJUSTMENT )

O R D E R

On July 30, 1982, McKinney Water Association ("McKinney") filed its application seeking authority to adjust its rates in accordance with 807 KAR 5:067, Purchased Water Adjustment Clause. McKinney's supplier, City of Stanford, notified McKinney of an increase in the wholesale cost of water from \$.8625 to \$1.0782 per 1,000 gallons effective August 1, 1982.

The Commission, having reviewed the evidence of record and being advised, is of the opinion and finds that:

(1) McKinney's supplier, City of Stanford, increased the wholesale cost of water to \$1.0782 per 1,000 gallons, effective August 1, 1982.

(2) The financial exhibits filed by McKinney indicate that it cannot absorb the increased cost of wholesale water.

(3) The calculation for the purchased water adjustment in the amount of \$.12 per 1,000 gallons made by McKinney is correct and should be approved.

(4) The base rates for further application of the purchased water adjustment clause should be:

<u>Supplier</u>		<u>Rates</u>	
City of Stanford		\$1.0782	per 1,000 gallons
McKinney Water District		1.30	per 1,000 gallons
City of Eubank	First 1,000 gallons	6.50	per 1,000 gallons
	Next 4,000 gallons	2.75	per 1,000 gallons
	Next 5,000 gallons	2.50	per 1,000 gallons
	Next 15,000 gallons	1.75	per 1,000 gallons
	Over 25,000 gallons	1.50	per 1,000 gallons

(5) The rates in Appendix A are fair, just and reasonable and should be approved.

IT IS THEREFORE ORDERED that the purchased water adjustment in the amount of \$.12 per 1,000 gallons and the rates in Appendix A be and they hereby are approved for service rendered on and after the date of this Order.

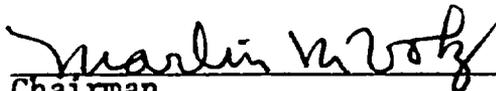
IT IS FURTHER ORDERED that for the purpose of future application of the purchased water adjustment clause of McKinney, the base rates for purchased water shall be:

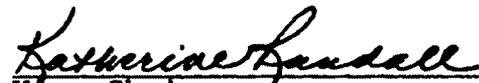
<u>Supplier</u>		<u>Rates</u>	
City of Stanford		\$1.0782	per 1,000 gallons
McKinney Water District		1.30	per 1,000 gallons
City of Eubank	First 1,000 gallons	6.50	per 1,000 gallons
	Next 4,000 gallons	2.75	per 1,000 gallons
	Next 5,000 gallons	2.50	per 1,000 gallons
	Next 15,000 gallons	1.75	per 1,000 gallons
	Over 25,000 gallons	1.50	per 1,000 gallons

IT IS FURTHER ORDERED that within 30 days of the date of this Order, McKinney shall file its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 7th day of September, 1982.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

\_\_\_\_\_  
Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE  
COMMISSION IN CASE NO. 7311-1 DATED  
SEPTEMBER 7, 1982

The following rates are prescribed for the customers of McKinney Water Association. 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.

<u>GALLONAGE BLOCK</u>	<u>RATE</u>
First 1,000 gallons	\$ 8.87 Minimum
Next 2,000 gallons	2.62 per 1,000 gallons
Next 7,000 gallons	2.12 per 1,000 gallons
Over 10,000 gallons	1.62 per 1,000 gallons