

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
OF CORINTH WATER DISTRICT)

CASE NO. 95-416

O R D E R

On September 20, 1995, Corinth Water District ("Corinth") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

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

1. Corinth purchases water from the City of Williamstown ("Williamstown").
2. Effective November 1, 1995, Williamstown will increase its rate for wholesale water from \$1.85 per 1,000 gallons to \$2.03 per 1,000 gallons.
3. During the 12 months ending August 31, 1995, Corinth purchased 43,507,000 gallons of water and sold 39,513,700 gallons.
4. Corinth's calculations are incorrect in that the proposed rates are not calculated using the formula set out in 807 KAR 5:068, Purchased Water Adjustment for Water Districts and Associations. The correct calculations are set out in Appendix B to this Order.

5. Based on Williamstown's current charges for purchased water, Corinth's purchased water costs will increase by \$7,831, resulting in a purchased water adjustment of 20 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, the average bill of Corinth's customers will increase \$1.00 from \$35.05 to \$36.05, or 2.8 percent.

6. Corinth's proposed tariff filing is incorrect.

7. The purchased water adjustment of 20 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of 20 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are approved for services rendered on and after November 1, 1995.

2. Corinth's proposed tariff is denied.

3. Within 30 days of the date of this Order, Corinth shall file verification that the notice to its customers has been given.

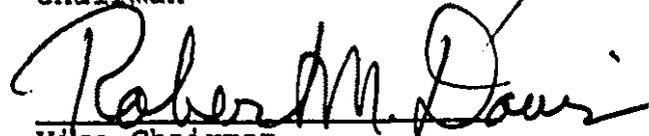
4. Within 30 days of the date of this Order, Corinth shall file revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 10th day of October, 1995.

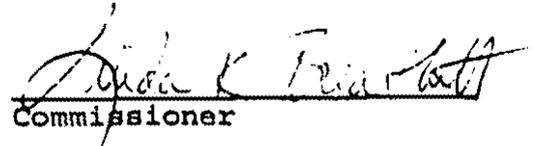
PUBLIC SERVICE COMMISSION



Chairman

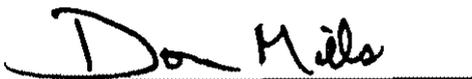


Vice Chairman



Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 95-416 DATED OCTOBER 10, 1995

The following rates and charges are prescribed for the customers in the area served by Corinth Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATE SCHEDULE

| | |
|---------------------|------------------------|
| First 1,000 gallons | \$12.01 (Minimum Bill) |
| Next 4,000 gallons | 6.01 |
| Next 5,000 gallons | 4.01 |
| Over 10,000 gallons | 3.51 |

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 95-416 DATED OCTOBER 10, 1995

Calculation of Purchased Water Adjustment

Gallons Purchased: 43,507,000

Gallons Sold: 39,513,700

Cost at New Rate: 43,507.0 gallons x \$2.03 \$88,319.21

Less

Cost at Base Rate: 43,507.0 gallons x \$1.85 80,487.95

Increase \$ 7,831.26

7831.26 Increase divided by 39,513.7 gallons sold = .1982 or
20¢ per 1,000 gallons