

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

PURCHASED WATER ADJUSTMENT OF)  
HUNTSVILLE-SOUTH HILL WATER ) CASE NO. 5450-1  
SYSTEM, INC. )

O R D E R

On February 18, 1982, Huntsville-South Hill Water System, Inc., ("Huntsville") filed its application with the Public Service Commission ("Commission") seeking approval of a purchased water adjustment clause and authority to adjust its rates in accordance with that clause. On May 14, 1982, the application was dismissed, without prejudice, for failure to file required information. Huntsville subsequently filed additional information, and the case is hereby returned to the docket.

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

(1) The purchased water adjustment clause sought by Huntsville is in compliance with 807 KAR 5:067, Purchased Water Adjustment Clause, is in the public interest, and should be approved.

(2) Huntsville's supplier, Rochester Water District, increased the wholesale cost of water from \$.55 to \$1.00 per 1,000 gallons, effective October 14, 1981, pursuant to an Order of the

Public Service Commission in Case No. 8142, Application of Rochester Water District.

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

(4) The calculation for the purchased water adjustment made by Huntsville is incorrect in that it used the gallons purchased rather than the gallons sold to determine the purchased water adjustment. After making corrections, the calculation for the purchased water adjustment shows an increase of \$.50 per 1,000 gallons. This increase is reasonable and should be approved.

(5) The base rate for future application of the purchased water adjustment clause should be:

<u>Supplier</u>	<u>Rate</u>
Rochester Water District	\$1.00 per 1,000 gallons

(6) In Case No. 5450, which established rates to be charged by Huntsville, the Order erroneously showed the usage level in the last rate block as "Next 50,000 gallons" when it should have been "Over 25,000 gallons." This error should be corrected.

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

IT IS THEREFORE ORDERED that the purchased water adjustment clause filed by Huntsville is hereby approved effective on and after the date of this Order.

IT IS FURTHER ORDERED that the usage level in the final rate block of Huntsville's rate schedule be and it hereby is changed to show the correct usage level of "Over 25,000 gallons."

IT IS FURTHER ORDERED that the purchased water adjustment in the amount of \$.50 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 Huntsville, the base rate for purchased water shall be:

<u>Supplier</u>	<u>Rate</u>
Rochester Water District	\$1.00 per 1,000 gallons

IT IS FURTHER ORDERED that within 30 days of the date of this Order, Huntsville shall file with the Commission its revised tariff sheets setting out the purchased water adjustment clause and the rates approved herein.

Done at Frankfort, Kentucky, this 19th day of July, 1982.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE  
COMMISSION IN CASE NO. 5450-1 DATED JULY 19, 1982

The following rates are prescribed for the customers of the Huntsville-South Hill Water System, Inc. 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.

Gallonge Block

First 2,000 gallons	\$7.23 minimum
Next 4,000 gallons	3.60 per 1,000 gallons
Next 4,000 gallons	1.75 per 1,000 gallons
Next 15,000 gallons	1.50 per 1,000 gallons
Over 25,000 gallons	1.25 per 1,000 gallons