

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
GRAYSON COUNTY WATER DISTRICT)

CASE NO. 8395

O R D E R

On November 25, 1981, Grayson County Water District ("Grayson County") filed its application with the Public Service Commission seeking approval of a purchased water adjustment clause and authority to adjust its rates for service in accordance with that clause. On September 2, 1981, Grayson County's supplier, City of Leitchfield ("City"), notified Grayson County of an increase in the wholesale cost of water from \$.53 to \$1.2198 per 1,000 gallons. Grayson County employed GRW Engineers, Inc., to study the City's records regarding the cost of supplying water and to make calculations in accordance with a 1978 water purchase agreement. The rate arrived at through this study is \$.6876 per 1,000 gallons.

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 Grayson County is in compliance with 807 KAR 5:067, Purchased Water Adjustment Clause, is in the best interest of the public and Grayson County, and should be approved.

(2) The City increased the wholesale cost of water to \$1.2198 per 1,000 gallons effective October 1, 1981 (Exhibit No. 2c). Grayson County disagrees with this rate because of differences

in the methods of calculation and has requested to pass on to its customers only \$.6876 per 1,000 gallons at this time (Letter of Application).

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

(4) The calculation for the purchased water adjustment made by Grayson County in the amount of \$.19 per 1,000 gallons is correct and should be approved.

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

<u>Supplier</u>	<u>Rate</u>
City of Leitchfield	\$.6876 per 1,000 gallons

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

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

IT IS FURTHER ORDERED that the purchased water adjustment sought by Grayson County and the rates in Appendix A attached hereto be and the same are hereby approved effective with water supplied 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 Grayson County, the base rate for purchased water shall be:

<u>Supplier</u>	<u>Rate</u>
City of Leitchfield	\$.6876 per 1,000 gallons

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

Done at Frankfort, Kentucky, this 4th day of January, 1982.

PUBLIC SERVICE COMMISSION

Martin M. Vohy
Chairman

Katharine Bandell
Vice Chairman

D. Carrigan
Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
 COMMISSION IN CASE NO. 8395 DATED
 JANUARY 4, 1982

The following rates are prescribed for the customers served by Grayson County Water 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.

DOMESTIC, INDUSTRIAL, FARM AND COMMERCIAL

5/8-Inch Meter

<u>Gallonge Block</u>	<u>Monthly Rate</u>
First 1,500 gallons	\$ 7.54 Minimum
Next 3,500 gallons	3.94 per 1,000 gallons
Next 5,000 gallons	3.44 per 1,000 gallons
Next 15,000 gallons	2.39 per 1,000 gallons
All Over 25,000 gallons	1.29 per 1,000 gallons

For meters larger than 5/8-inch, the minimum monthly water usage and corresponding minimum monthly bill will be as follows. All usage over the minimum shall be billed at the same rates as for the 5/8-inch meter.

<u>Meter Size</u>	<u>Minimum Monthly Water Usage</u>	<u>Minimum Bill</u>
3/4-inch	3,000 gallons	\$ 13.45
1-inch	5,000 gallons	21.33
1½-inch	10,000 gallons	38.53
2-inch	16,000 gallons	52.87
3-inch	30,000 gallons	80.83
4-inch	50,000 gallons	106.63
6-inch	100,000 gallons	171.13