

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
SOUTHEAST DAVIESS COUNTY WATER) CASE NO. 6654-1
DISTRICT)

O R D E R

On January 10, 1983, Southeast Daviess County Water District ("Southeast Daviess") 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 January 26, 1983, the Commission issued an Order that additional information be filed. The required information was filed on February 9, 1983, and the record is complete.

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

(2) Southeast Daviess' supplier, City of Owensboro ("City"), increased the wholesale cost of water from \$.435 to \$.653 per 1,000 gallons, effective November 1, 1982.

(3) The City has had problems with the meter measuring water sold to Southeast Daviess so there are no accurate records

of water purchases or means to calculate line loss. The Commission has, therefore, determined that the purchased water adjustment should be based on the water sales of Southeast Daviess for the 12-month period ending October 31, 1982.

(4) The allowable increase in purchased water costs is \$69,980.27, resulting in a purchased water adjustment of \$.218 per 1,000 gallons.

(5) The financial exhibits filed by Southeast Daviess indicate that it cannot absorb an increase of this magnitude in the wholesale cost of water.

(6) The purchased water adjustment in the amount of \$.218 per 1,000 gallons and the rates in Appendix A are fair, just and reasonable and should be approved.

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

IT IS FURTHER ORDERED that the purchased water adjustment in the amount of \$.218 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 Southeast Daviess, the base rate for purchased water shall be:

<u>Supplier</u>	<u>Rate</u>
City of Owensboro	\$.653 per 1,000 gallons

IT IS FURTHER ORDERED that within 30 days of the date of this Order, Southeast Daviess 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 16th day of February, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 6654-1 DATED FEBRUARY
16, 1983

The following rates are prescribed for the customers served by Southeast Daviess 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.

<u>Gallage Black</u>	<u>Rate</u>
First 2,000 gallons	\$5.436 Minimum
Next 8,000 gallons	1.293 per 1,000 gallons
Next 10,000 gallons	1.093 per 1,000 gallons
Next 20,000 gallons	.993 per 1,000 gallons
Over 40,000 gallons	.763 per 1,000 gallons