

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

PURCHASED WATER ADJUSTMENT)
OF GRAYSON COUNTY WATER) CASE NO. 8395-1
DISTRICT)

O R D E R

On August 30, 1983, Grayson County Water District ("Grayson County") filed its application with the Public Service Commission ("Commission") for authority to adjust its rates in accordance with 807 KAR 5:067, Purchased Water Adjustment Clause. On September 9, 1983, the Commission ordered that additional information be filed. The required information was filed on September 20, 1983, and the record is now complete.

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

(1) Grayson County's supplier, City of Leitchfield, will increase the wholesale cost of water, effective October 1, 1983, pursuant to an Agreed Judgment entered on August 15, 1983, in the Grayson Circuit Court, Civil Action No. 82-CI-120, City of Leitchfield vs. Grayson County Water District.

(2) The statements of water purchased and sold filed by Grayson County for the 12-month period ending July 31, 1983, show that its line loss is approximately 17.9 percent which is in

excess of the maximum of 15 percent allowed by the Commission. Water purchases have been adjusted to the 15 percent maximum.

(3) The calculations made by Grayson County are incorrect in that there is a mathematical error in the total gallons sold and the procedure followed in arriving at the total allowable gallons after adjustment for line loss is not in compliance with 807 KAR 5:067. Additional calculations have been made by the Commission to correct this error and to conform to proper regulatory procedure.

(4) The total allowable gallons upon which the purchased water adjustment may be based is 50,413,185¹ producing an allowable increase of \$13,228 and resulting in a purchased water adjustment of \$.31 per 1,000 gallons.

(5) The financial exhibits filed by Grayson County 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 \$.31 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 in the amount of \$.31 per 1,000 gallons and the rates in Appendix A be and they hereby are approved for service rendered on and after October 1, 1983.

¹ 42,851,207 gallons sold + .85 = 50,413,185 allowable gallons.

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	\$.95 per 1,000 gallons

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

Done at Frankfort, Kentucky, this 5th day of October, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 8395-1 DATED OCTOBER 5, 1983

The following rates are prescribed for the customers of Grayson County 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.

DOMESTIC, INDUSTRIAL, FARM AND COMMERCIAL
5/8-Inch Meter

<u>Gallonage Block</u>	<u>Monthly Rate</u>
First 1,500 gallons	\$8.01 minimum
Next 3,500 gallons	4.25 per 1,000 gallons
Next 5,000 gallons	3.75 per 1,000 gallons
Next 15,000 gallons	2.70 per 1,000 gallons
Over 25,000 gallons	1.60 per 1,000 gallons

For meters larger than 5/8-inch, the minimum monthly water usage and corresponding minimum 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	\$ 14.38
1-inch	5,000 gallons	22.88
1 1/2-inch	10,000 gallons	41.63
2-inch	16,000 gallons	57.83
3-inch	30,000 gallons	90.13
4-inch	50,000 gallons	122.13
6-inch	100,000 gallons	202.13