

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
WARREN COUNTY WATER DISTRICT) CASE NO. 89-088

O R D E R

On April 12, 1989, Warren County Water District ("Warren") filed its revised tariff sheets 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 sufficiently advised, is of the opinion and finds that:

1. Warren purchases a portion of its water from Bowling Green Municipal Utilities ("Bowling Green") at two different locations and at different rates.

2. Effective May 1, 1989, Bowling Green will increase its rates for Northside from \$.3693 to \$.4540 per 1,000 gallons and for Westside from \$.5861 to \$.6562 per 1,000 gallons.

3. Warren proposed to adjust the rates to its customers effective May 1, 1989.

4. During the 12 months ending February 28, 1989, Warren purchased 503,122,752 gallons of water at Northside and 806,774,908 gallons at Westside. In addition, it produced 135,610,000 gallons.

5. During the same 12 months, Warren sold 1,246,270,350 gallons of water.

6. The purchased water adjustment and rates proposed by Warren are correct. However, in its calculations, Warren erroneously applied base rates of \$.3607 and \$.5917 for Northside and Westside, respectively. The correct base rates are \$.3693 for Northside and \$.5861 for Westside as shown by the Order of this Commission in Case No. 8233-1.¹ Warren also erroneously added the gallons of water used for plant purposes to the gallons sold and divided the resulting volume into the increase in costs to determine the purchased water adjustment when it should have used only the gallons sold.

7. The increase in purchased water costs is \$99,169 resulting in a purchased water adjustment of \$.08 per 1,000 gallons as shown in Appendix B.

8. The purchased water adjustment of \$.08 per 1,000 gallons and the rates in Appendix A are fair, just, and reasonable and should be approved.

9. The tariff sheets filed by Warren are correct and should be approved.

IT IS THEREFORE ORDERED that:

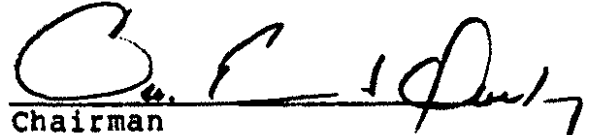
1. The purchased water adjustment of \$.08 per 1,000 gallons of water as shown in Appendix B and the rates in Appendix A, attached and incorporated hereto, are approved for services rendered on and after May 1, 1989.

¹ Case No. 8233-1, Purchased Water Adjustment of Warren County Water District, dated March 15, 1983.

2. The tariff sheets filed by Warren are approved as filed.
3. Within 30 days of the date of this Order, Warren shall file verification that the notice contained in its application has been given.

Done at Frankfort, Kentucky, this 26th day of April, 1989.

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. 89-088 DATED 4/26/89

The following rates and charges are prescribed for the customers in the area served by Warren 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.

USAGE BLOCKS

MONTHLY RATES

First	2,000 gallons	\$6.62 Minimum
Next	3,000 gallons	2.11 per 1,000 gallons
Next	3,000 gallons	1.51 per 1,000 gallons
Next	4,000 gallons	1.31 per 1,000 gallons
Next	20,000 gallons	1.21 per 1,000 gallons
Next	50,000 gallons	1.01 per 1,000 gallons
Next	60,000 gallons	.91 per 1,000 gallons
Next	3,000,000 gallons	.76 per 1,000 gallons
Over	3,142,000 gallons	.66 per 1,000 gallons

MINIMUM BILLS

<u>METER SIZE</u>	<u>GALLONS</u>	<u>MINIMUM BILL</u>
3/4 inch	3,000	\$ 8.73
1 inch	5,000	12.95
1 1/2 inch	10,000	20.10
2 inch	16,000	27.56
3 inch	30,000	44.50
4 inch	50,000	65.10
6 inch	100,000	113.80
8 inch	160,000	165.70
10 inch	550,000	462.10

Usage in excess of the minimum will be billed in accordance with the rate schedule.

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 89-088 DATED 4/26/89

CALCULATION OF PURCHASED WATER ADJUSTMENT

Gallons Produced:	135,610,000
Gallons Purchased - Northside:	503,122,752
Gallons Purchased - Westside:	<u>806,774,908</u>
Total Gallons Purchased & Produced	1,445,507,660
Gallons Sold:	1,246,270,350

Northside

Cost at changed rate:
503,122.752 M gallons X \$.4540 = \$228,417.73

Less

Cost at Base Rate:
503,122.752 M gallons X \$.3693 = \$185,803.23

Increase \$ 42,614.50

Westside

Cost at changed Rate:
806,774.908 M gallons X \$.6562 = \$529,405.69

Less

Cost at Base Rate:
806,774.908 M gallons X \$.5861 = \$472,850.77

Increase \$ 56,554.92

Total Increase: \$42,614.50 + 56,554.92 = \$99,169.42

\$99,169.42 ÷ 1,246,270.350 M gallons sold = \$.0795 or \$.08/1,000
gallons