

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
REID VILLAGE WATER DISTRICT) CASE NO. 89-149

O R D E R

On June 2, 1989, Reid Village Water District ("Reid Village") filed its revised tariff sheet 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 water purchases and sales information submitted by Reid Village was for the calendar year 1988, which is outside the time period prescribed by 807 KAR 5:068. On June 8, 1989, Reid Village filed water purchases and sales information for the correct time period.

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

1. Reid Village purchases water from the city of Mt. Sterling.
2. Mt. Sterling bills in cubic feet on a declining block rate schedule. Effective June 1, 1989, Mt. Sterling increased its rates for purchased water by approximately \$.11 per 100 cubic feet or \$.14 per 1,000 gallons of water.
3. Reid Village adjusted the rates to its customers effective June 1, 1989.

4. During the 12 months ending February 28, 1989, Reid Village purchased 43,774,979 gallons of water and sold 42,663,355 gallons.

5. The purchased water adjustment calculated by Reid Village is incorrect in that the volume of water upon which it was based was for a time period other than that prescribed by regulation. 807 KAR 5:068, Section 2(2).

6. The correct increase in the cost of purchased water is \$6,339, resulting in a purchased water adjustment of \$.15 per 1,000 gallons of water as shown in Appendix B.

7. The purchased water adjustment of \$.15 per 1,000 gallons of water and the rates in Appendix A are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment in Appendix B and the rates in Appendix A, attached and incorporated hereto, are approved for services rendered on and after June 1, 1989.

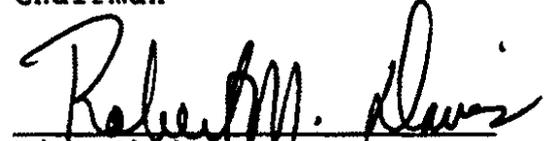
2. Within 30 days of the date of this Order, Reid Village shall file its revised tariff sheet setting out the rates approved herein.

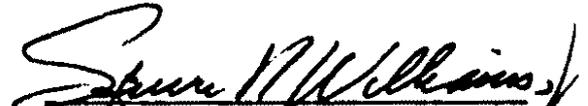
3. Within 30 days of the date of this Order, Reid Village shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 28th day of June, 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. 89-149 DATED 6/28/89

The following rates and charges are prescribed for the customers in the area served by Reid Village 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

First 2,000 gallons
Over 2,000 gallons

Monthly Rates

\$8.76 Minimum
1.63 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
 COMMISSION IN CASE NO. 89-149 DATED 6/28/89

Calculation of Purchased Water Adjustment

Water Purchased: 43,774,979 gallons
 Conversion to cubic feet: $\frac{43,774,979 \text{ gals.}}{7.48} = 5,852,270 \text{ cubic feet}$

Water Sold: 42,663,355 gallons

Cost at Changed Rates

| | | | | | |
|-------|--------------------|------------------|---------------------|------|--------------------|
| First | 100 c.f. x 12 = | 1,200 | 12 x \$4.02 Minimum | = \$ | 48.24 |
| Next | 600 c.f. x 12 = | 7,200 | x 1.82 per 100 c.f. | = | 131.04 |
| Next | 1,300 c.f. x 12 = | 15,600 | x 1.76 per 100 c.f. | = | 274.56 |
| Next | 1,300 c.f. x 12 = | 15,600 | x 1.60 per 100 c.f. | = | 249.60 |
| Next | 3,400 c.f. x 12 = | 40,800 | x 1.38 per 100 c.f. | = | 563.04 |
| Next | 6,600 c.f. x 12 = | 79,200 | x 1.16 per 100 c.f. | = | 918.72 |
| Next | 13,300 c.f. x 12 = | 159,600 | x .94 per 100 c.f. | = | 1,500.24 |
| Next | 26,700 c.f. x 12 = | 320,400 | x .88 per 100 c.f. | = | 2,819.52 |
| Over | 53,300 c.f. | = 5,212,670 | x .86 per 100 c.f. | = | 44,828.96 |
| | | <u>5,852,270</u> | | | <u>\$51,333.92</u> |

Cost at Base Rates

| | | | | | |
|-------|--------------------|------------------|---------------------|------|--------------------|
| First | 100 c.f. x 12 = | 1,200 | 12 x \$3.65 Minimum | = \$ | 43.80 |
| Next | 600 c.f. x 12 = | 7,200 | x 1.65 per 100 c.f. | = | 118.80 |
| Next | 1,300 c.f. x 12 = | 15,600 | x 1.60 per 100 c.f. | = | 249.60 |
| Next | 1,300 c.f. x 12 = | 15,600 | x 1.45 per 100 c.f. | = | 226.20 |
| Next | 3,400 c.f. x 12 = | 40,800 | x 1.25 per 100 c.f. | = | 510.00 |
| Next | 6,600 c.f. x 12 = | 79,200 | x 1.05 per 100 c.f. | = | 831.60 |
| Next | 13,300 c.f. x 12 = | 159,600 | x .85 per 100 c.f. | = | 1,356.60 |
| Next | 26,700 c.f. x 12 = | 320,400 | x .80 per 100 c.f. | = | 2,563.20 |
| Over | 53,300 c.f. | = 5,212,670 | x .75 per 100 c.f. | = | 39,095.02 |
| | | <u>5,852,270</u> | | | <u>\$44,994.82</u> |

| | |
|--------------|------------------|
| Changed Cost | \$51,333.92 |
| Less | |
| Base Cost | <u>44,994.82</u> |
| Increase | \$ 6,339.10 |

\$6,339.10 ÷ 42,663.355 m. gallons sold = \$.15 per 1,000 gallons