

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF )  
CORINTH WATER DISTRICT ) CASE NO. 89-382

O R D E R

On December 21, 1989, Corinth Water District ("Corinth") filed an application 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.

On January 18, 1990, the Commission requested that additional information be filed. The required information was filed on January 23, 1990 and the record is now complete. Corinth also filed a second tariff which it proposed to place into effect May 1, 1991 in accordance with its supplier's schedule of purchased water rate increases.

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

1. Corinth's supplier, the city of Williamston, will increase its minimum monthly rate for purchased water from \$201.25 for the first 175,000 gallons to \$221.37, and its rate per 1,000 gallons from \$1.15 to \$1.265, effective May 1, 1990.

2. Corinth did not specify a date for implementing the increased rates to its customers.

3. During the 12 months ending January 31, 1990, Corinth purchased 24,087,000 gallons and sold 21,206,160 gallons.

4. The increase in the cost of purchased water is \$2,991 resulting in a purchased water adjustment of 14 cents per 1,000 gallons of water.

5. The calculations made by Corinth are incorrect in that the purchased water adjustment was determined by subtracting the previous base rate of 95 cents per 1,000 gallons from the new rate of \$1.265 rather than the method prescribed by 807 KAR 5:068 and shown in Appendix B.

6. Corinth sells water to water haulers through coin-operated stations which operate only with quarters; therefore, the truck loading rate must be divisible by 25. The truck loading rate should be adjusted by 25 cents per 1,000 gallons.

7. The purchased water adjustment of 25 cents per 1,000 gallons for coin-operated truck loading stations and 14 cents per 1,000 gallons and the rates in Appendix A are fair, just, and reasonable and should be approved.

8. Pursuant to 807 KAR 5:068, Section 2(2), increased costs in purchased water must be determined based on the 12 month period ending within 90 days immediately prior to the effective date of the utility's rate adjustment to its customers. Therefore, the supplier increase anticipated to become effective May 1, 1991, more than 14 months in the future, cannot be considered at this time.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment and rates proposed by Corinth to be effective May 1, 1990 are denied.

2. The purchased water adjustment of 25 cents per 1,000 gallons for coin-operated truck loading stations and 14 cents per 1,000 gallons for other customers and the rates in Appendix A, attached hereto and incorporated herein, are approved for services rendered on and after May 1, 1990.


3. The rates proposed by Corinth to be effective May 1, 1991 are denied.


4. Within 30 days after the adjusted rates are placed into effect, Corinth shall file its revised tariff sheets setting out the rates approved herein.

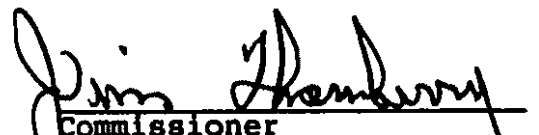
5. Within 30 days after the adjusted rates are placed into effect, Corinth shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 22nd day of February, 1990.

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. 89-382 DATED FEBRUARY 22, 1990

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

Monthly Water Rates

First 1,000 gallons	\$11.14 (Minimum Bill)
Next 4,000 gallons	5.14 per 1,000 gallons
Next 5,000 gallons	3.14 per 1,000 gallons
Over 10,000 gallons	2.64 per 1,000 gallons
Loading Station Rate	\$ 3.75 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 89-382 DATED FEBRUARY 22, 1990

Calculation of Purchased Water Adjustments

Water Purchased: 24,087,000 gallons  
Water Sold: 21,206,160 gallons

Cost at Changed Rate:

First 175,000 gal.:	\$221.37 (Min. Bill) x 12 months	=	\$ 2,656.44
Over 175,000 gal.:	23,912 m. gal. x \$1.265	=	30,248.68
	Total		<u>\$32,905.12</u>

Less

Cost at Base Rate:

First 175,000 gal.:	\$201.25 (Min. Bill) x 12 months	=	\$ 2,415.00
Over 175,000 gal.:	23,912 m. gal. x \$1.15	=	27,498.80
	Total		<u>\$29,913.80</u>

Increase: \$2,991.32

\$2,991.32 + 21,206 m. gallons = 14.05 cents or 14 cents/1,000  
gallons