

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF SALT)
RIVER WATER DISTRICT) CASE NO. 90-032

O R D E R

On March 5, 1990, the Public Service Commission ("Commission") entered an Order in this case denying the rates proposed by Salt River Water District ("Salt River") and approving a purchased water adjustment increasing the rates for Salt River's customers by \$.03 per 1,000 gallons of water.

Subsequent to Salt River's last general rate case,¹ its water supplier, Louisville Water Company, instituted a monthly service charge and implemented two increases in its rate for water sold to Salt River. Salt River proposed rates which would pass through all the increase in the amount it pays for purchased water occurring since entry of the Commission's Order in Case No. 10181.

807 KAR 5:068 provides that the base rate shall be the supplier's rate in effect immediately prior to the most recent increase. Therefore, the Commission found that the first supplier increase, consisting of the monthly surcharge of \$94.50 and a \$.02

¹ Case No. 10181, The Application of Salt River Water District of Bullitt County, Kentucky, for Approval of Construction, Financing, and Increased Rates.

per 1,000 gallon increase in the water rate, was not allowable under the provisions of the purchased water adjustment regulations and should be applied for in a separate proceeding.

On April 26, 1990, Salt River filed a request with the Commission to be allowed to waive the increase granted herein pending the filing of an application for a general rate increase. In support of its request, Salt River stated it did not want to impose rate increases on its customers on two separate occasions with no benefit to the district.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that Salt River's request should be granted.

IT IS THEREFORE ORDERED that:

1. Salt River's request is hereby granted and the application in Case No. 90-032 shall be considered withdrawn.
2. The Order entered herein on March 5, 1990 is hereby rescinded and held for naught.

Done at Frankfort, Kentucky, this 21st day of May, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner