

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
PENDLETON COUNTY WATER DISTRICT) CASE NO. 90-054

O R D E R

On March 13, 1990, Pendleton County Water District ("Pendleton") filed its revised tariff 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, finds:

1. Pendleton purchases water from Campbell County Kentucky Water District ("Campbell") and the city of Falmouth ("City").
2. Pursuant to the Commission's Order dated January 31, 1990 in Case No. 89-029¹ Campbell increased its rate for water sold to Pendleton from \$1.14 to \$1.20 per 1,000 gallons, effective January 31, 1990. There has been no change in the rates charged by the City.

¹ Case No. 89-029, Application and Notice of Campbell County Kentucky Water District (A) to Issue Revenue Bonds in the Approximate Principal Amount of \$5,535,000 (B) to Construct Additional Plant Facilities of Approximately \$4,523,000 (C) Notice of Adjustment of Rates Effective May 1, 1989 (D) Submission of Long Term Water Supply Contract.

3. Pendleton proposed to increase the rate to its customers effective March 15, 1990.

4. During the 12 months ending December 15, 1989, Pendleton purchased 50,756,100 gallons of water from Campbell and 19,611,000 gallons from the City. Pendleton sold 67,515,868 gallons of water during the same 12-month period.

5. Pendleton's calculation of its purchased water adjustment factor is correct and shows an increase in purchased water costs of \$3,045, resulting in a purchased water adjustment of \$.05 per 1,000 gallons of water.

6. Pendleton incorrectly calculated its new rate for Griffin Industries, Inc. and Pendleton County High School.²

7. A purchased water adjustment of 5 cents per 1,000 gallons and the rates contained in Appendix A are fair, just and reasonable and should be approved.

8. The rates contained in the tariff sheet filed by Pendleton are incorrectly calculated and should, therefore, be denied.

² The minimum bills for Griffin Industries, Inc. and Pendleton County High School are incorrectly calculated. Pendleton's tariff sheet showed the new minimum bills for Griffin Industries, Inc. (first 400,000 gallons) and Pendleton County High School (first 125,000 gallons) to be \$1568 and \$490, or an increase of \$16.40 and \$3.75 respectively. As shown below, the correct amount of the increase is \$20.00 and \$6.25.

$$\begin{aligned} 400,000 \text{ gals} \times \$.05/1,000 \text{ gals} &= \$20.00 \\ 125,000 \text{ gals} \times \$.05/1,000 \text{ gals} &= \$ 6.25 \end{aligned}$$

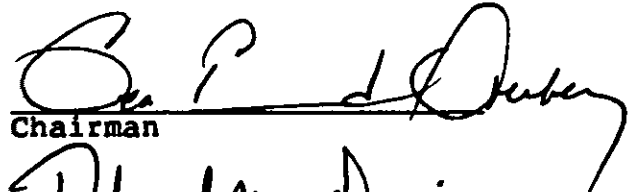
$$\begin{aligned} \$20.00 + \$1551.40 &= \$1571.40 \\ \$ 6.25 + \$ 487.15 &= \$ 493.40 \end{aligned}$$

IT IS THEREFORE ORDERED that:

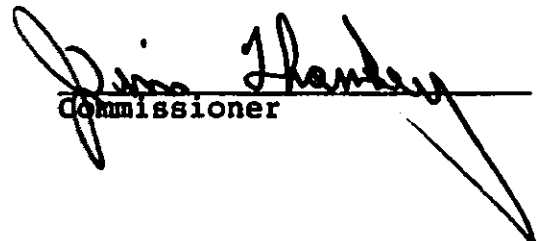
1. The rates proposed by Pendleton are hereby denied.
2. The purchased water adjustment of 5 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are approved for services rendered on and after March 15, 1990.
3. Within 30 days of the date of this Order, Pendleton shall file its revised tariff sheet setting out the rates approved herein.
4. Within 30 days of the date of this Order, Pendleton shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 12th day of April, 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. 90-054 DATED 4/12/90

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

Division I and Division II

Residential Customers

Usage Blocks

Monthly Rates

First 2,000 gallons	\$8.99 Minimum Bill
Next 3,000 gallons	4.17 per 1,000 gallons
Next 10,000 gallons	4.07 per 1,000 gallons
Over 15,000 gallons	3.29 per 1,000 gallons

Griffin Industries, Inc.

First 400,000 gallons	\$1,571.40 Minimum Bill
Over 400,000 gallons	3.92 per 1,000 gallons

Pendleton County High School

First 125,000 gallons	\$493.40 Minimum Bill
Over 125,000 gallons	3.92 per 1,000 gallons