

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	CASE NO. 91-098
CORINTH WATER DISTRICT)	

O R D E R

On March 27, 1991, 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). The information in Corinth's filing did not meet the requirement of 807 KAR 5:068, Section 3. Therefore, on April 3, 1991, the Commission requested by letter that Corinth file a copy of its supplier's notice of the changed rate and the effective date. Subsequently, Commission staff was notified by Corinth that the required information was filed in Case No. 89-382.¹ The record is now complete.

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

1. Corinth's supplier, the city of Williamstown, will increase its minimum monthly rate for purchased water from \$221.37 for the first 175,000 gallons to \$243.25, and its rate per 1,000 gallons from \$1.265 to \$1.392, effective May 1, 1991.

¹ Case No. 89-382, Purchased Water Adjustment of Corinth Water District.

2. Corinth proposes to increase the rates to its customers effective May 1, 1991.

3. During the 12 months ending February 28, 1991, Corinth purchased 24,143,000 gallons of water and sold 20,526,620 gallons.

4. The increase in Corinth's purchased water costs is \$3,306, resulting in a purchased water adjustment of 16 cents per 1,000 gallons of water.

5. Corinth sells water to water haulers through coin-operated stations. These stations operate only with quarters; therefore, the truck loading rate must be divisible by 25. In Case No. 89-382, the truck loading rate was changed from \$3.50 to \$3.75 per 1,000 gallons to accommodate the coin-operated stations. This increase was 11 cents greater than the increase to other rates. Therefore, in order to balance the increases resulting from purchased water adjustments, no change should be made to the truck loading rate in the instant case.

6. The purchased water adjustment of 16 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

7. Corinth included in its revised tariff a meter test request charge of \$30.00 which is not contained in its currently effective tariff. The purchased water adjustment is designed for the purpose of providing a mechanism whereby a utility may recover the increased cost of purchased water only. No other increases in costs, new rates, charges, or changes in rate design may be considered under the purchased water adjustment regulation.

Therefore, Corinth requested approval of this charge in a separate filing. After cost justification and a statement that Corinth had properly posted the charge were filed, Commission Staff approved the meter test request charge of \$30.00 effective April 29, 1991.

8. The tariff sheet filed by Corinth is correct and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of 16 cents per 1,000 gallons and the rates in Appendix A are hereby approved for services rendered on and after May 1, 1991.

2. The tariff sheet filed by Corinth for approval of its purchased water adjustment is approved as filed.

Done at Frankfort, Kentucky, this 3rd day of May, 1991.

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. 91-098 DATED 5/03/91

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	\$11.30 Minimum Bill
Next 4,000 gallons	5.30 per 1,000 gallons
Next 5,000 gallons	3.30 per 1,000 gallons
Over 10,000 gallons	2.80 per 1,000 gallons
Loading Station Rate	\$ 3.75 per 1,000 gallons