

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF WHITE)
HALL WATER DISTRICT) CASE NO. 91-157

O R D E R

On May 23, 1991, White Hall Water District ("White Hall") 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 that:

1. White Hall purchases water from the city of Richmond ("Richmond"). Prior to this case, Richmond billed White Hall on a five step declining block rate schedule based on units measured in cubic feet. Richmond has changed the rate structure it charges to its wholesale customers to a flat fee based on units measured in 100 cubic feet.

2. Effective with the billing payable July 15, 1991, Richmond increased its rates to White Hall such that, based on a 5,000 gallon average monthly usage, the average monthly bill will increase from \$22.84 to \$25.44 an increase of 11.38 percent.

3. White Hall proposes to increase the rates to its customers effective June 1, 1991.

4. During the 12 months ending April 1, 1991, White Hall purchased 16,007,800 cubic feet of water and sold 14,785,992 cubic feet.

5. The calculations made by White Hall are incorrect in that White Hall did not use the appropriate rate schedule in determining the increase in purchased water costs.

6. The correct increase in purchased water costs is \$57,038, resulting in a purchased water adjustment of 39 cents per 100 cubic feet as shown in Appendix B.

7. The purchased water adjustment of 39 cents per 100 cubic feet and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The proposed tariff and rates are hereby denied.


2. The purchased water adjustment in Appendix B and the rates in Appendix A, attached hereto and incorporated herein, are approved for services rendered on and after June 1, 1991.

3. Within 30 days of the date of this Order, White Hall shall file its revised tariff setting out the rates approved herein.


4. Within 20 days of the date of this Order, White Hall shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 20th day of June, 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. 91-157 DATED 6/20/91

The following rates and charges are prescribed for the customers in the area served by White Hall 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

Monthly Rates

First 280 cubic feet	\$10.59 Minimum Bill
Next 400 cubic feet	3.83 per 100 cubic feet
Next 500 cubic feet	3.01 per 100 cubic feet
Over 1,180 cubic feet	2.26 per 100 cubic feet

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 91-157 DATED 6/20/91

PURCHASED WATER ADJUSTMENT CALCULATIONS

Water Purchased: 16,007,800 cubic feet or 119,738,344 gallons

Water Sold: 14,785,992 cubic feet or 110,599,223 gallons

Cost at Changed Rate:

16,007,800 cubic feet x \$1.30 per 100 cubic feet = \$208,101.40

Cost at Base Rate:

First	300 c.f. x 12 =	3,600 c.f.	12 x \$5.65 = \$	67.80
Next	400 c.f. x 12 =	4,800 c.f.	x 1.65 =	79.20
Next	5,000 c.f. x 12 =	60,000 c.f.	x 1.50 =	900.00
Next	5,000 c.f. x 12 =	60,000 c.f.	x 1.25 =	750.00
Over 10,700 c.f.	=	<u>15,879,400 c.f.</u>	x .94 =	<u>149,266.36</u>
		16,007,800 c.f.		\$151,063.36

Total increase in purchased cost: \$ 57,038.04

\$57,038.04 + 147,859.92 cubic feet = \$.385757 or 39 cents/ccf