

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF	)	
EAST DAVIESS COUNTY WATER	)	CASE NO. 92-192
ASSOCIATION, INC.	)	

O R D E R

On April 30, 1992, East Daviess County Water Association, Inc. ("East Daviess") filed its revised tariff sheets with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.012 and 807 KAR 5:068.

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

1. East Daviess purchases its water from Southeast Daviess County Water District ("Southeast Daviess") and Owensboro Municipal Utilities ("Owensboro").

2. Southeast Daviess increased its rate for water sold to East Daviess from \$.93 to \$1.27 per 1,000 gallons effective May 1, 1992 pursuant to Case No. 92-191.<sup>1</sup>

3. Owensboro increased its rate for water sold to East Daviess from \$.751 to \$1.051 per 1,000 gallons effective May 1, 1992.

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<sup>1</sup> Case No. 92-191, Purchased Water Adjustment of Southeast Daviess County Water District.

4. East Daviess increased the rates to its customers effective May 1, 1992. Based on an average monthly usage of 5,000 gallons, the average bill of East Daviess' customers would increase \$1.75 from \$15.65 to \$17.40, or 11.18 percent.

5. During the 12 months ending March 31, 1992, East Daviess purchased 207,674,600 gallons of water, 46,784,300 of which was purchased from Southeast Daviess and 160,890,300 gallons from Owensboro.

6. East Daviess sold 181,403,757 gallons of water during the same 12-month period.

7. The purchased water adjustment and rates proposed by East Daviess are incorrect in that it did not use the correct base and changed rates in calculating the increase in the cost of water purchased from Southeast Daviess. Southeast Daviess' rate in effect immediately prior to the most recent increase was \$.93 per 1,000 gallons. The changed rate approved in Case No. 92-191 is \$1.27 per 1,000 gallons.

8. The correct increase in the cost of purchased water is \$64,174 resulting in a purchased water adjustment of 35 cents per 1,000 gallons as shown in Appendix B.

9. The purchased water adjustment of 35 cents per 1,000 gallons and the rates in Appendix A are fair, just, and reasonable, and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by East Daviess are denied.

2. The purchased water adjustment of 35 cents per 1,000 gallons of water in Appendix B and the rates in Appendix A, attached hereto and incorporated herein, are approved for services rendered on and after May 1, 1992.

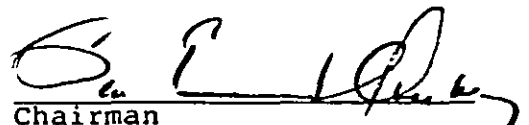
3. Within 30 days of the date of this Order, East Daviess shall file revised tariff sheets setting out the rates approved herein.

4. Within 30 days of the date of this Order, East Daviess shall file a copy of the notice to its customers and verification that such notice has been given.

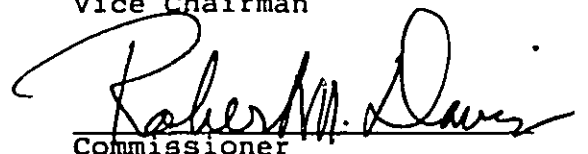
5. Within 60 days of the date of this Order, East Daviess shall refund, by check or credit to customer bills, any amounts which have been over-collected due to the error in calculating the purchased water adjustment and rates. Within 10 days thereafter, East Daviess shall file a report with the Commission showing the date and amount of refunds and the name of the persons to whom refunds have been made.

Done at Frankfort, Kentucky, this 26th day of May, 1992.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director, Acting

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-192 DATED 5/26/92

The following rates and charges are prescribed for the customers in the area served by East Daviess County Water Association, Inc. 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

##### 5/8 x 3/4 Inch Meter

First 2,000 gallons  
Next 4,000 gallons  
Next 44,000 gallons  
Over 50,000 gallons

\$9.21 Minimum Bill  
2.73 per 1,000 gallons  
2.48 per 1,000 gallons  
2.08 per 1,000 gallons

##### 3/4 Inch Meter

First 3,000 gallons  
Next 3,000 gallons  
Next 44,000 gallons  
Over 50,000 gallons

\$11.94 Minimum Bill  
2.73 per 1,000 gallons  
2.48 per 1,000 gallons  
2.08 per 1,000 gallons

##### 1 Inch Meter

First 6,000 gallons  
Next 44,000 gallons  
Over 50,000 gallons

\$20.13 Minimum Bill  
2.48 per 1,000 gallons  
2.08 per 1,000 gallons

##### 1 1/2 Inch Meter

First 10,000 gallons  
Next 40,000 gallons  
Over 50,000 gallons

\$30.05 Minimum Bill  
2.48 per 1,000 gallons  
2.08 per 1,000 gallons

##### 2 Inch Meter

First 20,000 gallons  
Next 30,000 gallons  
Over 50,000 gallons

\$54.85 Minimum Bill  
2.48 per 1,000 gallons  
2.08 per 1,000 gallons

Rates for customers formerly served by Hancock County  
Improvement Corporation.

Usage Blocks

First 2,000 gallons  
Next 2,000 gallons  
Next 6,000 gallons  
Over 10,000 gallons

Monthly Rates

\$17.20 Minimum Bill  
5.35 per 1,000 gallons  
2.61 per 1,000 gallons  
2.61 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 92-192 DATED 5/26/92

CALCULATION OF PURCHASED WATER ADJUSTMENT

Gallons Purchased:	Owensboro	160,890,300
	Southeast Daviess	<u>46,784,300</u>
Total Gallons Purchased		207,674,600

Gallons Sold:	181,403,757
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Cost at New Rates:

Owensboro	160,890.300 m. gals. x 1.051	= \$169,095.71
Southeast Daviess	46,784.300 m. gals. x 1.27	= <u>59,416.06</u>
		\$228,511.77

Less

Cost at Base Rate:

Owensboro	160,890.300 m. gals. x .751	= \$120,828.62
Southeast Daviess	46,784.300 m. gals. x .93	= <u>43,509.40</u>
		\$164,338.02

Increase	\$ 64,173.75
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\$64,173.75 + 181,403.757 m. gals. sold = \$.3538 or 35 cents  
per 1,000 gallons