

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
SOUTH SIDE WATER ASSOCIATION, INC.) CASE NO. 93-186

O R D E R

On May 17, 1993, South Side Water Association, Inc. ("South Side") submitted its application 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. South Side purchases water from the city of Beattyville.
2. Beattyville increased its rate for water sold from \$2.00 per 1,000 gallons to \$3.00 per 1,000 gallons effective September 1, 1991. South Side proposes to increase the water rates to its customers effective June 1, 1993.
3. In its application, South Side filed information pertaining to purchases and sales that were not within the prescribed 90 days of the filing date. On June 8, 1993, South Side filed additional information which cured the filing deficiencies in this case.
4. During the 12 months ending March 31, 1993, South Side purchased 23,482,000 gallons of water and sold 19,485,000 gallons. The increase in the cost of purchased water is \$23,482, resulting

in a purchased water adjustment of \$1.21 per 1,000 gallons of water as shown in Appendix A. Based on an average monthly usage of 5,000 gallons, the average bill of South Side's customers would increase \$6.05 from \$26.90 to \$32.95 or 22 percent.

5. South Side has miscalculated the purchased water adjustment factor insofar as it had filed incorrect information in the original filing. Therefore, the purchased water adjustment factor and the rates proposed by South Side should be denied.

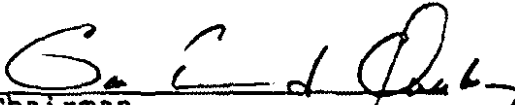
6. The purchased water adjustment of \$1.21 per 1,000 gallons as shown in Appendix B and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by South Side are hereby denied.
2. The purchased water adjustment of \$1.21 per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after June 1, 1993.
3. Within 30 days of the date of this Order, South Side shall file revised tariff sheets setting out the rates approved herein.
4. Within 20 days of the date of this Order, South Side shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 2nd day of July, 1993.

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. 93-186 DATED July 2, 1993

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

Classification of Service

Rates

First 2,000 gallons	\$14.32 Minimum Bill
Next 4,000 gallons	6.21 per 1,000 gallons
Next 4,000 gallons	5.21 per 1,000 gallons
Next 15,000 gallons	4.71 per 1,000 gallons
Next 25,000 gallons	4.46 per 1,000 gallons
Over 50,000 gallons	4.01 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 93-186 DATED July 2, 1993

Purchased Water Adjustment Calculations

Water Purchased: 23,482,000 gallons

Water Sold: 19,485,000 gallons

Cost at Changed Rate:

$23,482,000 \times \$3.00 = \$70,446$

LESS

Cost at Base Rate:

$23,482,000 \times \$2.00 = \$46,964$

Increase in cost: \$23,482

$\$23,482 \div 19,485,000 \text{ gallons sold} = \$1.205 \text{ or } \$1.21/1,000 \text{ gallons}$