

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
CORINTH WATER DISTRICT)	CASE NO. 93-210
)	

O R D E R

On June 4, 1993, Corinth Water District ("Corinth") filed its revised tariff sheet with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water procedure KRS 278.015 and KAR 5:068.

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

1. Corinth purchases its water from the city of Williamstown ("Williamstown").

2. Williamstown increased its rates for water sold to Corinth from \$1.53 to \$1.85 per 1,000 gallons effective July 1, 1993. Corinth proposes to increase the rates to its customers effective July 1, 1993.

3. During the 12 months ending May 31, 1993, Corinth purchased 29,136,000 gallons of water from Williamstown and sold 25,740,560 gallons of water during the same 12-month period.

4. The rates proposed by Corinth are incorrect and should be denied insofar that Corinth miscalculated the purchased water adjustment factor.

5. The increase in the cost of the purchased water is \$9,324, resulting in a purchased water adjustment of 36 cents per 1,000 gallons as shown in Appendix B. Based on an average of 5,000 gallons, the average bill of Corinth's customers would increase \$1.80 from \$33.25 to \$35.05, or 5.4 percent.

6. Corinth failed to apply the increased cost of water to the Loading Station Rate. Failure to increase this rate would cause undue harm to Corinth's earnings and potentially other customer rates. Therefore, those rates should also be increased. Because water received at a loading station is acquired through a vending machine that can only be regulated in 25 cent increments, the Loading Station Rate should be increased from \$4.00 to \$4.25.

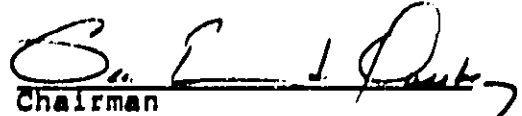
7. The purchased water adjustment of 36 cents per 1,000 gallons of water and the rates in Appendix A are fair, just and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

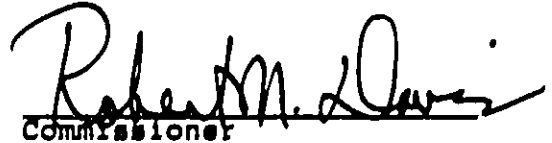
1. The rates proposed by Corinth are denied.
2. The purchased water adjustment of 36 cents per 1,000 gallons of water and the rates in Appendix A, attached hereto and incorporated herein, are approved for service rendered on and after July 1, 1993.
3. Within 30 days of the date of this Order, Corinth shall file revised tariff sheets setting out the rates approved herein.
4. Within 30 days of the date of this Order, Corinth shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 17th day of June, 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. 93-210 DATED June 17, 1993

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 Rates

First 1,000 gallons	\$11.81 Minimum Bill
Next 4,000 gallons	5.81 per 1,000 gallons
Next 5,000 gallons	3.81 per 1,000 gallons
Over 10,000 gallons	3.31 per 1,000 gallons
Loading Station Rate	\$ 4.25 per 1,000 gallons

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\$9,324 + 25,740.56 m. gals. sold = \$.3622 or 36 cents per 1,000 gallons