

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
PENDLETON COUNTY WATER DISTRICT) CASE NO. 95-032

O R D E R

On January 23, 1995, Pendleton County Water District ("Pendleton County") filed its 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 Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Pendleton County purchases water from two suppliers, the City of Falmouth ("Falmouth") and Campbell County Kentucky Water District ("Campbell County").

2. Effective December 15, 1994, Campbell County decreased its rates for wholesale water from \$1.5885 per 1,000 gallons to \$1.577 per 1,000 gallons. Falmouth will not change its wholesale rates for water at this time.

3. Pendleton County proposed to decrease the rates to its customers effective February 15, 1995.

4. During the 12 months ending December 31, 1994, Pendleton County purchased 34,713,000 gallons from Falmouth and 62,558,200 gallons from Campbell County, for a total of 97,271,200 gallons, and sold 85,139,085 gallons.

5. Pendleton County's calculations are correct and show a decrease in purchased water cost of \$719.42, resulting in a purchased water adjustment of 1 cent per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, the average bill of Pendleton County's customers would decrease 5 cents from \$25.90 to \$25.85 or less than 1 percent.

6. The rates proposed by Pendleton County are incorrect in that the purchased water adjustment was not correctly applied on a per unit basis to the minimum bills as required by 807 KAR 5:068. The minimum bills of Griffin Industries, Inc. ("Griffin") and Pendleton County High School ("Pendleton High") are incorrectly calculated. Pendleton County's tariff sheet showed the minimum bills for Griffin (400,000 gallons) and Pendleton High (first 125,000 gallons) to be \$1,904.42, a decrease of \$3.38, and \$597.74, an increase of \$1.56. As shown below, the correct amount of the decrease is \$4.00 and \$1.25, respectively.¹ The proposed rates should, therefore, be denied.

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

¹ 400,000 gallons x \$.01/1000 gallons = \$4.00
 125,000 gallons x \$.01/1000 gallons = \$1.25

 \$4.00 - \$1,907.80 = \$1,903.80
 \$1.25 - \$ 596.18 = \$ 594.93

IT IS THEREFORE ORDERED that:


1. The purchased water adjustment of 1 cent per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after February 15, 1995.


2. Pendleton County shall, within 30 days of the date of this Order, file its revised tariff setting out the rates approved herein.

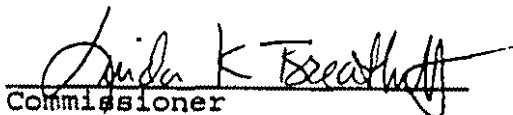
3. Within 30 days of the date of this Order, Pendleton County shall file verification that the notice to its customers has been given.

Done at Frankfort, Kentucky, this 13th day of February, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 95-032 DATED FEBRUARY 13, 1995

The following rates and charges are prescribed for the customers in the area served by Pendleton County 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.

RESIDENTIAL CUSTOMERS:

First	2,000 Gallons (Minimum Bill)	\$	10.79
Next	3,000 Gallons per 1,000 Gallons		5.02
Next	10,000 Gallons per 1,000 Gallons		4.92
Over	15,000 Gallons per 1,000 Gallons		4.75

GRIFFIN INDUSTRIES, INC.

First	400,000 Gallons (Minimum Bill)	\$1,903.80
Over	400,000 Gallons per 1,000 Gallons	4.75

PENDLETON COUNTY HIGH SCHOOL

First	125,000 Gallons (Minimum Bill)	\$	594.93
Over	125,000 Gallons per 1,000 Gallons		4.75